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OPERATING RESULTS

OF

INDEPENDENT SUPERMARKETS

1987

The Research Department

Food Marketing Institute
1750 K Street, NW
Washington, DC 20006

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by

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The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education and public affairs on behalf of its 1,600 members -- food retailers and wholesalers and their customers in the United States and overseas. FMI's domestic member companies operate approximately 17,000 retail food stores with a combined annual sales volume of $180 billion -- more than half of all grocery sales in the United States. Most of FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets. Its international membership includes more than 190 members from over 50 nations.

Table of Contents

Page

ABOUT THIS REPORT 1

OVERVIEW OF INDUSTRY PERFORMANCE 3
- Sales Performance 4
- Productivity Performance 7
- Store Format Highlights 8

HOW TO USE THIS REPORT 11
- Step-by-Step Approach 11
- Understanding the Data 12
- Using Ratios 14
- Key Productivity Performance Analysis 15
- Improving Performance based on Analysis of the Key Productivity Measures 16

CONVENTIONAL SUPERMARKETS
- Overview of Performance 21
- Winners versus Losers 24
- Detailed Results
  - All Responding Stores 27
  - All Respondents by Geographic Region
    - Northeast 31
    - Middle Atlantic 35
    - East North Central 39
    - West North Central 43
    - Mid South 47
    - Southeast 51
    - West South Central 55
    - Mountain 59
    - Pacific Northwest 63
  - All Respondents by Weekly Sales Volume
    - Under $70,000 67
    - $70,000-$90,000 71
    - $90,000-$125,000 75
    - Over $125,000 79
  - All Respondents by Profit Performance
    - Most Profitable Stores 83
    - Least Profitable Stores 87
  - All Respondents by Store Selling Area
    - Under 10,000 Square Feet 91
    - 10,000-12,499 Square Feet 95
    - 12,500-16,999 Square Feet 99
    - 17,000 Square Feet and Over 103

Page

SUPER STORES
Overview of Performance....109
Winners versus Losers....110
Detailed Results
All Responding Stores....113
All Respondents by Weekly Sales
Less than $300,000....117
$300,000 and Over....121
All Respondents by Profit Performance
Most Profitable Stores....125
Least Profitable Stores....129

SUPERETTE STORES
Overview of Performance....135
Winners versus Losers....136
Detailed Results
All Responding Stores....139
All Respondents by Profit Performance
Most Profitable Stores....143
Least Profitable Stores....147

WAREHOUSE STORES
Overview of Performance....153
Winners versus Losers....154
Detailed Results
All Responding Stores....157
All Respondents by Profit Performance
Most Profitable Stores....161
Least Profitable Stores....165

APPENDIX
Survey Methodology/Demographics....171
Departmental Data....173
Sample Survey/Ratio Definitions/Explanations & Sample Calculations....175

About This Report

The Food Marketing Institute **Operating Results of Independent Supermarkets 1987** represents the most complete, accurate and up-to-date comparative financial performance information available anywhere. This study is designed to serve as an easy-to-understand, managerially actionable tool for independent supermarket retailers to evaluate their own store's operating results in order to pinpoint strengths and weaknesses, and improvement opportunities. The overriding goal of this report is to provide information which will enable independent supermarket operators to better manage their stores.

The detailed survey results which appear in this report include four store formats--conventional supermarkets, super stores, superette stores and warehouse stores (definitions located in the Appendix). Conventional supermarket operators data are provided for all stores as a group, by weekly sales volume, by selling space, geographical region and by the high and low profit performing retailers. Super stores data are provided for all stores, by weekly sales volume and high and low profit performing stores, while data for superette stores and warehouse stores include all stores as a group and the high and low profit performing stores for each.

A variety of information is provided for each group including sales data; productivity measures relating to personnel, space utilization and inventory; percentage income statement; and departmental statistics.

In addition to the detailed industry comparative operating performance statistics, the report also features:

- A section which highlights the 1987 independent supermarket industry performance as it relates to the U.S. economy and compares the four store formats on a variety of performance measures.
- Detailed explanatory information on how to best understand and use the financial data in this report.
- Ratio definitions and explanations which show exactly how each ratio is calculated and what it means using a hypothetical store.
- Winners versus losers for each store type.
- Information about the survey demographics and methodology.

Perhaps the most valuable feature of the **FMI Operating Results of Independent Supermarkets 1987** is that **all** stores participating in the survey received, **absolutely free**, an in-depth confidential Company Performance Report. This report presents a company's own confidential ratios and data computed in a manner that is consistent with those appearing in the industry report, and displayed alongside the appropriate industry comparatives. This confidential report can be a critically important managerial tool for an individual store, and is **available nowhere else.** A representative page from a sample Company Performance Report for a hypothetical company is illustrated on the following page.

SAMPLE COMPANY

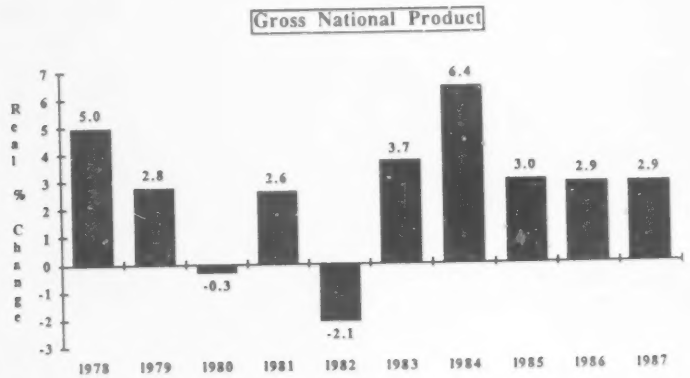
COMPANY NO. 1 CONFIDENTIAL INDIVIDUAL STORE PERFORMANCE REPORT STORE SALES(AS REPORTED):$4,450,107

	YOUR STORE	CONVENTIONAL ALL STORES	EAST NORTH CENTRAL	$70,000 TO $90,000	HIGH PROFIT
SALES DATA					
Percent Change from Previous Year	8.6 %	4.3	3.4	3.1	5.0
Average Transaction Size	$10.72	12.66	13.06	12.45	13.06
Store Sales per Hour of Operation	$815	954	882	875	1,006
Distribution of Sales:					
Grocery	50.6 %	57.6	52.8	57.9	59.7
Meat	19.7 %	16.4	16.3	16.7	16.0
Produce	9.0 %	7.9	8.2	7.3	7.6
General Merchandise/HaBA	6.1 %	2.6	3.3	2.6	2.6
Beer/Wine	0.0 %	1.0	1.2	0.7	0.9
Service Deli	1.1 %	3.0	3.0	3.3	3.0
Scratch/ Bake-Off Bakery	1.6 %	1.5	2.0	1.0	1.2
Frozen Food	4.2 %	3.5	4.3	3.6	3.0
Dairy	7.3 %	4.7	6.4	5.5	4.5
Other	0.5 %	1.9	2.7	1.6	1.5
Total	100.0 %	100.0	100.0	100.0	100.0
INCOME STATEMENT DATA					
Sales:					
Grocery	70.2 %	72.7	72.6	72.7	73.4
Meat	20.8 %	19.4	19.2	20.0	19.0
Produce	9.0 %	7.9	8.2	7.3	7.6
Total Sales	100.0 %	100.0	100.0	100.0	100.0
Gross Margins:					
Grocery	19.6 %	20.2	21.9	20.2	20.7
Meat	23.6 %	23.4	22.7	22.6	23.9
Produce	31.0 %	30.0	28.1	29.2	30.3
Total Gross Margin	21.4 %	21.5	22.3	21.5	21.7
Operating Expenses:					
Store Labor:					
Regular	6.5 %	8.6	9.1	8.0	8.2
Benefits	0.8 %	1.4	1.7	1.1	1.3
Total Store Labor Expense	7.2 %	9.9	10.7	8.8	9.4
Advertising & Promotion	2.0 %	1.3	1.4	1.3	1.3
Occupancy (Excluding Utilities)	0.9 %	1.5	1.4	1.4	1.4
Utilities	1.6 %	1.3	1.3	1.4	1.3
Maintenance	0.7 %	0.6	0.6	0.5	0.5
Store Supplies	0.9 %	1.0	1.2	1.1	1.0
Interest	1.8 %	0.2	0.2	0.3	0.2
Other	2.9 %	2.9	2.4	3.1	2.5
Total Operating Expenses	17.9 %	19.6	19.9	19.5	18.3
Profit Before Tax	3.5 %	1.6	1.7	2.2	3.2

Overview of Industry Performance

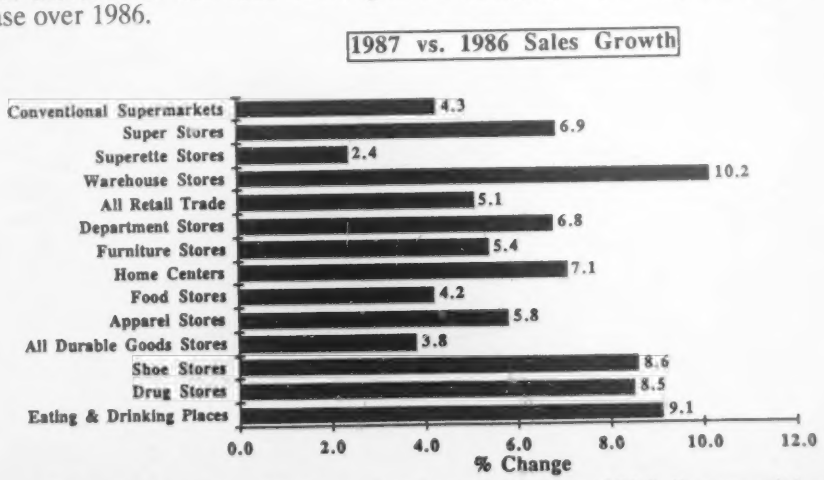
THE ECONOMY

For the third consecutive year growth in the overall U.S. economy continued at a steady but moderate pace during 1987. After adjusting for inflation, Gross National Product (GNP) advanced by only 2.9%, approximately equaling the growth performance of each of the prior two years. However, throughout most of 1987, economic growth was somewhat sluggish, until a strong fourth quarter finish occurred. Inflation also accelerated somewhat during 1987, but nothing comparable to the double digit levels of the early 1980s.



Source: U.S. Department of Commerce

Overall, retail sales in the U.S. grew 5.1 percent (actual sales increase) in 1987, nearly matching the 5.2 percent increase in 1986. The accompanying chart highlights the actual sales increases for selected retail stores based on U.S. Census Bureau data. Conventional supermarkets, super stores, and warehouse stores participating in the **Operating Results of Independent Supermarkets 1987** tended to grow faster than food stores in general, reporting 4.3, 6.9 and 10.2 percent sales increase, respectively in 1987 over 1986. Only superettes reported less than the 4.2 percent increase of the food store general category reporting 2.4 percent sales increase over 1986.



Source: Operating Results of Independent Supermarkets and U.S. Bureau of the Census

INDEPENDENT SUPERMARKET RETAILER SALES GROWTH BY STORE FORMAT AND SEGMENTS

The fastest growing store format in the industry based on FMI **Operating Results of Independent Supermarkets 1987** was warehouse stores achieving 10.2% sales increase over 1986. Strong performances were shown by both conventional supermarkets and super stores achieving 4.3% and 6.9%, respectively, over 1986 sales levels. The slowest growth store format was superette stores reporting an increase of 2.4% over 1986.

1987 Median Sales Growth By Store Format

All Responding Stores

Conventional Supermarkets	4.3%
Super Stores	6.9%
Superette Stores	2.4%
Warehouse Stores	10.2%

CONVENTIONAL STORES

Leading the way for conventional supermarkets were Southeast region stores with a 7.6% increase over 1986 sales levels, followed closely by stores in the Mid South reporting a 7.0% increase over 1986. The slowest growth was reported by those stores in the West South Central (-0.5%) and Mountain region (-0.2%). Highlights of the remaining segments are outlined below as are the remaining store formats and segments.

1987 Median Sales Growth By Selected Breakdowns

Conventional Supermarkets

Weekly Sales Under $70,000	1.3%
Weekly Sales $70,000 to $90,000	3.1%
Weekly Sales $90,000 to $125,000	6.4%
Weekly Sales Over $125,000	5.6%

Most Profitable *	5.0%
Least Profitable +	3.9%

Less Than 10,000 SQ FT of Selling Area	4.5%
10,000 to 12,499 SQ FT of Selling Area	5.0%
12,500 to 17,000 SQ FT of Selling Area	2.7%
Over 17,000 SQ FT of Selling Area	6.2%

Northeast	6.9%
Middle Atlantic	4.3%
East North Central	3.4%
West North Central	4.1%
Mid South	7.0%
Southeast	7.6%
West South Central	-0.5%
Mountain Region	-0.2%
Pacific	5.7%

*Most profitable in this report means the upper 50 percent of responding stores on net profit before tax as a percent of net sales

+Least profitable in this report means the lower 50 percent of responding stores on net profit before tax as a percent of net sales

1987 Median Sales Growth By Selected Breakdowns

Super Stores	
Weekly Sales Under $300,000	6.3%
Weekly Sales Over $300,000	7.1%
Most Profitable*	6.3%
Least Profitable+	8.1%

Superette Stores	
Most Profitable*	2.6%
Least Profitable+	0.6%

Warehouse Stores	
Most Profitable*	5.4%
Least Profitable+	12.7%

Source: Operating Results of Independent Supermarkets, 1987

*Most profitable in this report means the upper 50 percent of responding stores on net profit before tax as a percent of net sales

+Least profitable in this report means the lower 50 percent of responding stores on net profit before tax as a percent of net sales

INDEPENDENT SUPERMARKET PRODUCTIVITY PERFORMANCE

For independent supermarket retailers, the productivity of the store's various "inputs" is critical in determining the profitability of the operation. By measuring the productivity of different resources, independent store operators may gain valuable insights into both the strengths and weaknesses of current operations. Productivity measures may include: how effectively store space is being utilized (reflected in a sales per square foot measure); how many dollars are generated per labor hour; or how effective the existing merchandising programs are, (measured by inventory turnover).

This report provides a number of key productivity measures which can be used as benchmarks for analyzing your own store's efficiency relative to that of industry standards. In particular, measures are provided which evaluate the important areas of inventory, space and personnel productivity. The following table summarizes these productivity measures.

Inventory Productivity

For any given independent food retailer, inventory management is one of the most important operating components of the business. The vast majority of revenue is generated through inventory sales; and cost of goods sold is the single largest expense item. It stands to reason, therefore, that in order to be successful as an independent food retailer, one must stock an appropriate mix of products, develop effective purchasing and pricing policies, and develop effective display and promotional procedures.

Essentially, the most productive inventory management practices are those that effectively combine considerations of both gross profit percentage (i.e., the profitability component of inventory management), and inventory turnover (i.e., the item movement component of inventory management). In combination, these measures affect gross margin return on inventory (GMROI), which is the best overall measure of inventory productivity.

As the following chart illustrates, the typical conventional supermarket retailer had a gross profit of 21.5% with an inventory turnover of 16.5x and a GMROI of 478.3%. Super stores achieved the best GMROI (674.0%) due to both a superior gross margin (23.5%) and a strong inventory turnover (23.1x). Superette stores had the lowest GMROI at 317.9%.

Space Productivity

The primary measures of space productivity for food retailers are sales and gross profit dollars generated per square foot of selling area. Since many occupancy related expenses (such as rent, utilities, maintenance, etc.) are relatively fixed (or at least do not fluctuate greatly with sales volume), a key to greater profitability is to generate more sales and gross profit from the existing facility. In other words, once fixed costs are covered, every incremental dollar in sales and gross profit that is generated will yield a disproportionate increase in bottom line profits.

The typical super store retailer achieved the highest weekly sales in 1987 of $11.02 per square foot of selling area. Superette stores reported the lowest weekly sales per square foot of selling area at $4.46 and a weekly gross margin per square foot of $1.00. Both conventional and warehouse stores earn over $7.00 weekly sales per

square foot of selling area. Super stores reported the highest weekly gross margin per square foot of selling area at $2.76.

Personnel Productivity

Payroll expenses are typically the single largest operating expense for food retailers and therefore, it is critical to effectively manage this resource. Net sales per labor hour were highest for the typical warehouse operator respondent, reporting $113.03, while also reporting the lowest store labor expense at 7.1% of net sales. The highest labor costs as a percentage of sales was recorded by super stores at nearly 11% of sales.

Productivity

	--------Inventory Productivity--------			--------Space Productivity--------		--Personnel Productivity--	
	Gross Margin (%)	Inventory Turnover (x)	GMROI* (%)	Weekly Sales/Sq. Ft. Selling Area ($)	Weekly Gross Margin/Sq.Ft. Selling Area ($)	Net Sales per Labor Hour ($)	Store Labor Expense % of Sales (%)
Conventional Supermarkets	21.5	16.5	478.3	7.12	1.51	77.45	9.9
Super Stores	23.5	23.1	674.0	11.02	2.76	91.49	10.9
Superette Stores	20.9	10.8	317.9	4.46	1.00	67.31	10.0
Warehouse Stores	16.5	24.9	471.8	7.21	1.17	113.03	7.1

*Gross Margin Return on Inventory

STORE FORMAT HIGHLIGHTS

Four store formats are presented in this report, however, each respondent is an independent food retailer. The following chart highlights some of the typical differences such as volume size, space and profitability for each type of food retailer. The highlights include:

- Super stores had the highest profit before tax percent of sales at 2.5%, while superette stores earned only 0.6%.
- Weekly sales per store and average transaction rose proportionally for all store types, with super stores leading the way with the typical transaction at nearly $19.00 earning close to $300,000 per week.
- Super stores reported total store area at nearly 40,000 square feet and selling area at nearly 28,000 square feet nearly five times the size of superettes.

Statistical Highlights						
	Net Profit Margin Before Tax (%)	Average Weekly Sales/Store ($)	Average Transaction Size ($)	Total Store Area (Sq. Ft.)	Total Selling Area (Sq. Ft.)	Number of Checkouts (#)
Conventional Supermarkets	1.6	90,422	12.66	17,250	13,000	6
Super Stores	2.5	298,907	18.99	39,500	27,653	10
Superette Stores	0.6	27,065	6.63	7,350	6,000	3
Warehouse Stores	1.1	194,719	17.74	31,000	25,000	8

Source: Operating Results of Independent Supermarkets, 1987

How to Use This Report

The 1987 FMI **Operating Results of Independent Supermarkets** is designed to help independent supermarket retailers in evaluating their own performance relative to that of similar stores in order to identify improvement opportunities. The information in this report represents broad performance "yardsticks" against which performance can be measured.

Using this information, independent supermarket operators can compare their own figures with those of other independent food retailers operating a similar store format on a variety of "groupings." Spotting significant differences between your own store's performance and the industry composites can be the first step toward improving performance. It should be noted, however, that deviations from industry norms do not automatically call for some action.

In order to obtain maximum advantage from the information contained in this report while at the same time minimizing your analysis time and effort, we recommend you follow the step-by-step approach outlined below.

Step 1: Collect the Necessary Operating Data

The first step in using this report is to gather all your financial and operating results for your 1987 fiscal year. Most of the needed data can be obtained from your store's income statement and extracted from other sources, such as personnel files.

Step 2: Calculate the Ratios

The second step is to compute all of the various performance measures for your store that are included in this report using the data gathered in Step 1. **It is extremely important to calculate these ratios using the same formulas which were used to produce the ratios in this report.** These formulas, along with sample calculations of each measure, appear in the section of this report entitled, "Ratio Definitions and Sample Calculations," located in the Appendix.

FMI members which participated in the survey received, **absolutely free,** a confidential computer printout of their own store's financial ratios calculated and formatted in a manner that is consistent with the information in this report. Thus, for those firms, Step 2 has already been completed for them in an accurate, time saving manner. Stores that did not participate in the 1988 survey and should strongly consider doing so in the future.

Step 3: Compare the Results

Next, compare your store's performance with the survey results of other stores of your format in the industry. As you do so, several points should be recognized:

1. A deviation between your figures (for any performance measure) and numbers in the report is not necessarily good or bad. It merely indicates that additional analysis may be required. As a rule, the larger the difference, the greater the need for further investigation.

2. In situations where large deviations do exist, it may be helpful to calculate the same performance measure over the past several years to identify any trends that may have occurred.

3. The information in this report should be used as **guidelines** rather than absolute **standards**. Since independent supermarket operators differ as to their overall strategy, location, size, and other factors, any two outlets can be successful, yet have very different experiences relative to certain performance measures.

UNDERSTANDING THE DATA

In order to use the information in this report to maximum advantage, it is important to understand **what the numbers mean** and **how to interpret them.**

How the Tables are Organized

The tables in this report are organized to include a number of important financial ratios for each relevant "grouping" of similar independent supermarket operators. In particular, the four major category formats include conventional supermarkets, super stores, superette stores and warehouse stores.

Conventional Supermarket "groupings" include:

- **All Responding Conventional Stores**--Refers to the results of all conventional supermarket operator members responding to the survey. Although differences obviously exist among stores even of the same sales volume or geographic area, it is felt that there are enough similarities to make a total population of "all responding stores" analysis valuable.

- **By Geographical Area**--Many performance indicators will also vary depending upon the area of the country. Thus, the analysis also includes regional data, broken into geographic areas based on the following nine regions:

Northeast
Maine
New Hampshire
Vermont
Connecticut
Rhode Island
Massachusetts
Price Edward Is. (Canada)
Newfoundland (Canada)
New Brunswick (Canada)
Nova Scotia (Canada)

Pacific Northwest
Washington
Oregon
Alaska
Hawaii
California
British Columbia (Canada)

Middle Atlantic
New York
New Jersey
Pennsylvania
Quebec (Canada)

Mountain
Montana
Idaho
Wyoming
Nevada
Utah
Colorado
Arizona
New Mexico
Alberta (Canada)
Saskatchewan (Canada)

East North Central
Ohio
Michigan
Indiana
Illinois
Wisconsin
Ontario (Canada)

West South Central
Texas
Arkansas
Oklahoma
Louisiana

West North Central
Iowa
Kansas
Nebraska
Minnesota
North Dakota
South Dakota
Missouri
Manitoba (Canada)

Mid South
Kentucky
West Virginia
Virginia
District of Columbia
Maryland
Delaware

Southeast
Alabama
Mississippi
Tennessee
Georgia
Florida
South Carolina
North Carolina
Puerto Rico

- **By Store's Weekly Sales Volume Size**--There are often substantial differences in the operation of smaller versus larger supermarkets. Thus, the survey data is separated into various groups by establishment size to make it more meaningful. Normally, any given store operator should be primarily concerned with the data in their own sales volume group.
  - Under $70,000
  - $70,000 to $89,999
  - $90,000 to $125,000
  - Over $125,000

- **By Profit Performance**
  - **Least Profitable Stores**--refers to the lower 50 percent of responding stores on **net profit before tax as a percent of net sales.**
  - **Most Profitable Store**--refers to the upper 50 percent of responding stores on **net profit before tax as a percent of net sales.**

- **By Store Selling Area**--refers to that part of the store that is accessible to customers.
  - Under 10,000 square feet
  - 10,000-12,499 square feet
  - 12,500-16,999 square feet
  - 17,000 square feet and over

Super Stores "groupings" include:

- **All Responding Super Stores**

- **By Weekly Sales Volume**
  - $300,000 and under
  - Over $300,000

- **By Profit Performance**
  - Least profitable
  - Most profitable

Superette Stores "groupings" include:

- **All Responding Superette Stores**

- **By Profit Performance**
  - Least profitable
  - Most profitable

Warehouse Stores "groupings" include:

- **All Responding Stores**

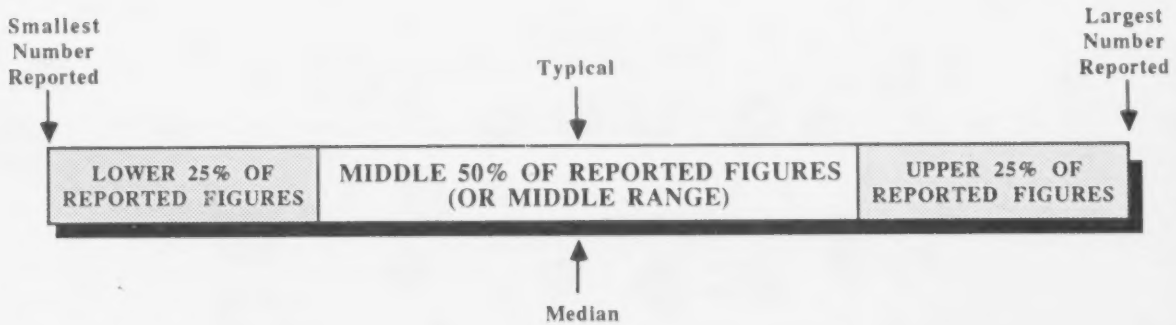
- **By Profit Performance**
  - Least profitable
  - Most profitable

You should determine which of the above data groups pertain to your operation so that you can compare your own store's results to those comparable to your own. **You should only be concerned with those sections of the report that are relevant to your store.**

Interpreting the Numbers

Most of the performance indicators included in this study are reported on the basis of medians rather than arithmetical averages or means. Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The "median" figure represents the mid-point of the figures for a particular measure, with one-half of the responding stores reporting figures above it and one-half below. Each median was independently selected from its own array of figures. As a result, **component figures of an item may not necessarily total 100 percent and normal mathematical relationships do not always exist.**

Also included for most of the performance indicators is the "Middle Range." This represents the experience of the middle 50 percent of all stores in the data grouping when items are arranged numerically from lowest to highest. In other words, the upper and lower limits on the "Middle Range" are simply the upper and lower quartiles respectively for that ratio.



Further insights into how to use this report are included in the Appendix in the section entitled: "Ratio Definitions and Sample Calculations." An important point to keep in mind when using this report is that even relatively simple analysis of your own financials using the industry data for comparison can yield important insights into your business. You do not have to be a financial expert to benefit from this information.

USING RATIOS

While it is extremely important to analyze financial information in dollars and cents, it is essential that percentages and ratios be used if the data is to be compared to past performance or to industry standards. For example, it is necessary to know your annual payroll expense, but it is even more essential to compare this expenditure with the value it produces. A useful measure of **effectiveness** of payroll expense may be the sales volume generated by it. Therefore, a ratio such as payroll

expense as a percent of sales can be useful in determining how efficiently your store uses its payroll dollars over time or compared with other independent supermarket operators in general.

In addition, just as dollar figures are not too meaningful by themselves, ratios should not be used in isolation. In combination they can give an extremely accurate overall picture of **financial performance** and **financial position**. Financial performance refers to how well a store performs over a period of time (generally one year) and financial position refers to financial strength at a given point in time.

KEY PRODUCTIVITY PERFORMANCE ANALYSIS

Productivity

Productivity is simply the **output produced** compared with **input expended.** As a rule, the more output produced per hour worked, employee, dollar investment or whatever the input, the more profitable an operation can be. Supermarket operators need to always strive to improve their productivity, especially in the principal areas of inventory, personnel and space. But in order to improve productivity, you first have to measure it.

Personnel productivity can be measured in numerous ways. The easiest and most commonly used methods are:

- **Net sales per labor hour**--good overall measure but subject to distortion by inflation.
- **Total gross margin per labor hour**--also a good overall measure, but also distorted by inflation.
- **Payroll as a percent of net sales (or gross margin)**--complements the previous measures by adding the dimension of compensation levels instead of just labor hours. **Not** distorted by inflation.

Inventory productivity is best measured by **inventory turnover**, defined as cost of goods sold divided by either ending or average inventory. This ratio shows how rapidly inventory is moving. Inventory turnover is expressed in "annual turns."

However, there is more than just a productivity dimension to inventory; there is a profitability aspect as well. Consider the following example:

- Store A has inventory turnover of 8 times and Store B achieves only 6 turns. Does Store A have higher inventory productivity than Store B? The answer is yes, but Store A may not have more inventory **profitability**. The reason is because inventory profitability depends on both turnover and gross profit.

A good measure of inventory profitability is **gross margin return on inventory** (GMROI). It is calculated by dividing gross margin by average inventory. GMROI will indicate whether an adequate gross profit is being earned compared to the investment in inventory required to generate those gross profit dollars. The ratio can be applied at the company level, but is probably most useful when applied to individual product categories (departmental statistics).

Space Productivity is usually measured by relating sales or gross margin per store or per square footage of selling space. By comparing your own operation versus other stores on this basis, you should be able to determine whether or not you are achieving the kind of volume necessary to support your space investment. However, if your market focus includes a significant amount of business with big quantity purchasers (such as institutions), then your space productivity measures are likely to be higher than those experienced by other stores.

IMPROVING PERFORMANCE BASED ON ANALYSIS OF THE KEY PRODUCTIVITY MEASURES

It is very important to remember that while the key performance measures are excellent "yardsticks" for gauging the success of your business, they must be **understood**. For instance, if the profitability of your store is far below the industry norm, it is important to know why. Is your business really suffering or is your profitability artificially low because you are paying yourself a high salary? Taking this into consideration, you are now prepared to examine some of the key performance measures and some possible actions that can be taken if you deviate significantly from the industry average. (The following are only guidelines for action and should not be considered specific recommendations.)

Productivity

Personnel Productivity

Too Low	Low personnel productivity during normal business conditions may indicate the business is too "people heavy." Consider decreasing staff size or strive to generate more volume from existing personnel.
Too High	No problem as a rule. May be artificially high if many functions are performed by outsiders not on the payroll.

Inventory Productivity

Too Low	Probably indicates you either have too many dollars tied up in inventory relative to the sales volume achieved or you are not earning enough gross margin dollars relative to sales. These problems can indicate potential merchandise buying or pricing inefficiencies or possibly competitive pressure.
Too High	A good situation in which to be. Indicates you are achieving a good combination of inventory productivity (i.e., inventory turnover) and inventory profitability (i.e., gross margin percent).

Space Productivity

Too Low	Indicates you either have excess space relative to the volume being generated, or that you simply need to generate more sales volume out of your existing space. This might be done through a greater emphasis on "add-on

	item" selling, or simply through a more effective job of turning customer traffic into sales.
Too High	Usually means you are doing a good job of "pushing products out the door," but may also reflect a somewhat different market focus or pricing strategy than other stores in the industry.

Conventional Supermarkets

Overview of Performance--Conventional Stores

Conventional supermarkets, as do other types of retailers, must efficiently and effectively manage and allocate resources to contribute to a successful operation. Some expected results may be strong sales, efficient space, inventory and personnel utilization and be profitable.

SALES DATA

The typical independent conventional store had weekly sales of over $90,000. Leading the way were those stores in the Middle Atlantic region reporting nearly $115,000 in weekly sales. Stores in the West North Central region reported the lowest weekly sales figure at nearly $59,000. As one would expect, as the square footage of selling area increases, the reported median weekly sales figure increases. Larger stores with over 17,000 square feet reported typical weekly sales nearly $142,000. This is more than twice that reported of stores with less than 10,000 square feet of selling area.

The typical transaction size for all responding stores was $12.66. The Middle Atlantic stores reported the highest transaction size with an average of $15.25, nearly 50% higher than the $10.34 reported by the Mountain region stores. It should be noted that as the selling area increases the average transaction size also increases with the larger stores reporting over $14.00 for an average sale. Smaller stores (those with less than 10,000 square feet of selling area) had an average transaction size just over $10.00.

SPACE DATA

Seventy-seven percent of the total store space is used for selling area. The typical store had a total area of 17,250 square feet and selling area of 13,000 square feet. Weekly sales per square foot of selling area for all responding stores was reported at over $7.00.

INVENTORY DATA

Gross margins are important for projecting sales for future periods, an independent retailer must target the gross margins for each department. Too high a gross margin means that prices will be too high; too low a gross margin means that operating expenses may not be covered. The typical store had a gross margin of 21.5% of sales, inventory turnover of 16.5 times and a gross margin return on inventory (GMROI) of 478.3%. The GMROI means that for every $1.00 invested in inventory, a return of 478% or, in other words, $4.78 will be earned.

The following table highlights selected key ratios and the five year comparisons for all conventional supermarket operators responding to the FMI **Operating Results of Independent Supermarkets**.

The table on the following page highlights the 1987 typical responses by selected data breaks of selected ratios.

All Responding Conventional Supermarket Operators 1983--1987					
	1987	1986	1985	1984	1983
SALES DATA					
Average Weekly Sales per Store	$90,422	$106,700	$87,293	$86,538	$80,847
Sales per Labor Hour	$77.45	$80.25	$75.10	$75.32	$73.80
Average Transaction Size	$12.66	$14.19	$12.60	$12.02	$11.18
SPACE DATA					
Total Store Area (square feet)	17,250	18,000	16,500	17,000	15,870
Selling Area (square feet)	13,000	14,000	13,000	12,500	12,000
Weekly Sales per Sq. ft. of Selling Area	$7.12	$8.19	$7.37	$7.25	$6.78
INVENTORY DATA					
Inventory Turnover (times)	16.5x	17.7x	17.5x	17.1x	18.5x
Gross Profit Margin	21.5%	21.2%	21.9%	21.3%	21.0%
GMROI	478.3%	494.6%	492.9%	457.7%	511.4%
PROFIT DATA					
Net Profit Margin Before Tax	1.6%	1.3%	1.4%	1.7%	1.0%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	19.6%	19.7%	20.0%	19.2%	19.9%
Store Labor Expense:					
Direct/Regular	8.6%	8.4%	8.8%	8.6%	8.4%
Fringe Benefits	1.4%	1.4%	1.5%	1.4%	1.2%

Source: Operating Results of Independent Supermarkets, 1987

1987 Conventional Supermarket Highlights

	Average Weekly Sales ($)	Average Transaction Size ($)	Sales Per Hour of Operation ($)	Sales Per Labor Hour ($)	Transactions Per Labor Hour (#)	Total Gross Margin (%)	Inventory Turnover (x)	GMROI* (%)
Conventional Supermarkets	90,422	12.66	954	77.45	6.1	21.5	16.5	478.3
Northeast	91,309	15.08	1,369	81.63	6.1	23.3	18.8	560.0
Middle Atlantic	114,543	15.25	1,256	81.98	5.3	21.1	18.7	585.5
East North Central	90,431	13.06	882	73.99	5.4	22.3	17.8	473.0
West North Central	58,744	10.79	677	82.80	7.2	22.2	14.1	388.2
Mid South	107,902	14.83	1,101	69.30	5.1	19.6	15.9	374.9
Southeast	78,427	11.68	870	68.98	6.2	20.0	18.2	478.4
West South Central	85,561	12.51	1,014	75.32	6.5	20.8	12.0	314.6
Mountain	59,137	10.34	567	73.89	7.3	20.8	15.1	458.9
Pacific Northwest	104,705	11.76	933	91.58	6.7	24.1	15.0	479.1
Weekly Sales Less than $70,000	53,055	10.03	561	70.10	7.2	20.8	14.1	357.0
Weekly Sales $70,000-$90,000	80,325	12.45	875	79.60	6.8	21.5	16.6	478.4
Weekly Sales $90,000-$125,000	107,303	13.78	1,165	73.84	5.3	21.6	16.1	452.7
Weekly Sales Over $125,000	164,769	16.92	1,673	82.23	5.3	22.9	20.2	579.9
Less than 10,000 Square Feet	61,363	10.19	691	78.93	7.2	21.8	15.2	486.7
10,000-12,499 Square Feet	80,000	12.57	903	76.56	6.5	21.3	17.7	488.0
12,500-16,999 Square Feet	107,289	13.24	1,056	73.84	5.8	21.8	15.9	441.9
17,000 Square Feet and Over	141,960	14.21	1,363	83.10	5.3	21.5	17.4	503.4

*Gross Margin Return on Inventory

Source: Operating Results of Independent Supermarkets, 1987

Conventional Supermarkets--Winners vs. Losers in 1987

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1987 high performance stores exhibited:

- Higher sales growth (5.0% versus 3.9%) and much higher sales per hour of operation ($1,006 versus $869).
- Lower labor expense to sales (9.4% for high profit stores versus 10.4% for lower profit stores) and higher sales per labor hour ($81.09 versus $72.60, respectively).
- Higher inventory productivity. Inventory turnover was higher (16.9 versus 16.2 times); gross margin as a percent of sales was higher (21.7% versus 21.1%); and GMROI was higher (483.7% versus 453.6%).
- Somewhat higher average transaction sizes ($13.06 versus $12.54) and more transactions per labor hour (6.6 versus 5.7).

The most revealing difference between the most and least profitable stores exists in the income statement of the two groups. As shown below, clearly the high profit stores are much more successful in controlling expenses than their low profit counterparts, reporting lower costs relative to sales in nearly every category. In total, the high profit group experienced total operating expenses of only 18.3% of sales versus 21.3% for the least profitable group. This differential coupled with higher gross margin levels experienced by the high profit stores, was instrumental in determining the success of the industry "winners."

1987 Summary Income Statement (Numbers Expressed as a % of Total Sales)		
	Most Profitable Stores	**Least Profitable Stores**
Sales:		
Grocery	73.4%	72.0%
Meat	19.0	19.8
Produce	7.6	8.3
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	20.7	20.1
Meat	23.9	23.6
Produce	30.3	29.3
Total Gross Margin	21.7	21.1
Operating Expenses:		
Store Labor:		
Regular	8.2	9.0
Benefits	1.3	1.4
Total Store Labor Expense	9.4	10.4
Advertising & Promotion	1.3	1.3
Occupancy (Excluding Utilities)	1.4	1.5
Utilities	1.3	1.3
Maintenance	0.5	0.6
Store Supplies	1.0	1.1
Interest	0.2	0.3
Other	2.5	3.6
Total Operating Expenses	18.3	21.3
Profit Before Tax	3.2	0.2

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	181	4.3%	0.0 - 9.5%
Average Transaction Size	177	$12.66	$10.17 - 15.83
Store Sales per Hour of Operation	196	$954	$685 - 1,361
Distribution of Sales:			
Grocery	179	57.6%	48.0 - 69.4%
Meat	179	16.4%	13.5 - 18.6%
Produce	179	7.9%	6.0 - 8.5%
General Merchandise/HaBA	179	2.6%	0.0 - 4.8%
Beer/Wine	179	1.0%	0.0 - 0.0%
Service Deli	179	3.0%	0.0 - 5.1%
Scratch/ Bake-Off Bakery	179	1.5%	0.0 - 2.5%
Frozen Food	179	3.5%	0.0 - 6.1%
Dairy	179	4.7%	0.0 - 9.2%
Other	179	1.9%	0.0 - 2.2%
Total	179	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	179	72.7%	70.2 - 76.3%
Meat	179	19.4%	16.3 - 21.6%
Produce	179	7.9%	6.0 - 8.5%
Total Sales	179	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	179	20.2%	18.4 - 22.6%
Meat	179	23.4%	20.1 - 26.6%
Produce	171	30.0%	27.0 - 31.9%
Total Gross Margin	172	21.5%	20.0 - 23.6%
Operating Expenses:			
Store Labor:			
Regular	175	8.6%	7.6 - 10.2%
Benefits	175	1.4%	0.6 - 2.0%
Total Store Labor Expense	175	9.9%	8.6 - 11.8%
Advertising & Promotion	175	1.3%	0.9 - 1.7%
Occupancy (Excluding Utilities)	175	1.5%	1.0 - 2.2%
Utilities	175	1.3%	1.1 - 1.5%
Maintenance	175	0.6%	0.4 - 0.7%
Store Supplies	175	1.0%	0.8 - 1.3%
Interest	175	0.2%	0.0 - 0.6%
Other	175	2.9%	1.1 - 4.4%
Total Operating Expenses	175	19.6%	17.8 - 22.3%
Profit Before Tax	175	1.6%	0.2 - 3.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	167	$77.45	$64.90 - 90.11
Gross Margin per Labor Hour	151	$16.62	$13.17 - 20.36
Profit Before Tax per Labor Hour	147	$1.16	$0.22 - 2.44
Sales per Labor Dollar	175	$11.63	$9.82 - 13.18
Gross Margin per Labor Dollar	173	$2.45	$2.15 - 2.79
Transactions per Labor Hour	154	6.1	5.0 - 7.5
Payroll per Labor Hour	149	$6.25	$5.34 - 7.95
Benefits per Labor Hour	136	$0.98	$0.72 - 1.54
Payroll to Total Expenses	175	45.2%	39.7 - 50.9%
Benefits to Total Expenses	156	7.4%	4.6 - 10.0%
Payroll per Hour of Operation	173	$83.28	$57.15 - 127.31
Space Productivity			
Total Store Area:			
Average Square Footage	200	17,250	13,500 - 22,223
Weekly Sales per Square Foot	199	$5.53	$4.36 - 7.29
Weekly Gross Margin per Square Foot	176	$1.14	$0.90 - 1.56
Weekly Profit Before Tax per Sq Ft	172	$0.09	$0.02 - 0.18
Selling Area:			
Average Square Footage	200	13,000	10,000 - 17,000
Weekly Sales per Square Foot	199	$7.12	$5.65 - 9.58
Weekly Gross Margin per Square Foot	176	$1.51	$1.18 - 2.06
Weekly Profit Before Tax per Sq Ft	172	$0.12	$0.02 - 0.25
Average Weekly Sales per Store	199	$90,422	$65,937 - 126,904
Number of Checkouts	191	6	5 - 7
Weekly Sales per Checkout	190	$16,842	$14,226 - 20,867
Weekly Transactions per Checkout	173	1,381	1,145 - 1,630
Selling Square Footage per Checkout	190	2,379	1,923 - 2,848
Occupancy Cost (incl utilities) per Sq Ft	175	$7.85	$5.85 - 10.69
Occupancy Cost (incl util) to Total Expense	175	14.0%	11.2 - 18.3%
Transactions per Square Foot of Selling Area	177	0.58	0.47 - 0.75
Transactions per 1000 Selling Sq Ft per Hour	176	6.13	4.69 - 7.99
Percentage of Selling Area to Total Area	199	77.3%	69.8 - 83.2%
Inventory Dollars per Sq Ft of Selling Area	171	$17.88	$14.73 - 21.58

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	171	19.4%	17.8 - 21.8%
Meat	171	21.3%	19.1 - 23.8%
Produce	171	30.0%	27.0 - 31.9%
General Merchandise/HaBA	84	25.8%	21.8 - 29.8%
Beer/Wine	38	22.0%	19.5 - 25.4%
Service Deli	111	38.8%	34.8 - 43.3%
Scratch/Bake-Off Bakery	87	43.4%	34.9 - 51.0%
Frozen Food	79	24.9%	22.2 - 27.4%
Dairy	79	19.1%	17.0 - 21.6%
Other	71	21.5%	15.6 - 30.7%
Total Gross Margin	172	21.5%	20.0 - 23.6%
Annual Inventory Turnover:			
Grocery	161	13.6X	10.9 - 17.2X
Meat	159	40.6X	33.7 - 52.9X
Produce	161	56.1X	42.5 - 70.7X
General Merchandise/HaBA	75	5.2X	4.0 - 6.9X
Beer/Wine	35	9.3X	7.0 - 13.7X
Service Deli	102	27.2X	18.3 - 34.3X
Scratch/Bake-Off Bakery	79	22.7X	15.1 - 32.1X
Frozen Food	72	17.4X	13.5 - 22.9X
Dairy	72	39.6X	30.5 - 50.9X
Other	58	14.0X	5.0 - 27.1X
Total Inventory Turnover	167	16.5X	13.5 - 20.1X
Gross Margin Return on Inventory (GMROI):			
Grocery	163	338.5%	264.3 - 431.4%
Meat	161	1,135.1%	882.4 - 1,558.4%
Produce	163	2,269.9%	1,675.9 - 3,046.4%
General Merchandise/HaBA	77	189.3%	129.4 - 263.8%
Beer/Wine	36	325.1%	188.2 - 431.7%
Service Deli	102	1,726.2%	1,156.5 - 2,149.7%
Scratch/Bake-Off Bakery	81	1,832.2%	1,101.9 - 2,565.3%
Frozen Food	73	619.5%	442.2 - 799.5%
Dairy	73	954.8%	698.3 - 1,262.5%
Other	58	397.9%	155.1 - 918.7%
Total GMROI	167	478.3%	357.2 - 580.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	179	72.7%	70.2 - 76.3%
Meat	179	19.4%	16.3 - 21.6%
Produce	179	7.9%	6.0 - 8.5%
Total Sales	179	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	179	20.2%	18.4 - 22.6%
Meat	179	23.4%	20.1 - 26.6%
Produce	171	30.0%	27.0 - 31.9%
Total Gross Margin	172	21.5%	20.0 - 23.6%
Annual Inventory Turnover:			
Grocery	163	13.5X	10.9 - 17.0X
Meat	161	38.3X	31.0 - 46.9X
Produce	161	56.1X	42.5 - 70.7X
Total Inventory Turnover	167	16.5X	13.5 - 20.1X
Gross Margin Return on Inventory (GMROI):			
Grocery	165	349.4%	269.7 - 435.7%
Meat	163	1,212.4%	917.2 - 1,588.7%
Produce	163	2,269.9%	1,675.9 - 3,046.4%
Total GMROI	167	478.3%	357.2 - 580.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	13	6.9%	4.0 - 11.1%
Average Transaction Size	14	$15.08	$11.56 - 16.70
Store Sales per Hour of Operation	14	$1,369	$890 - 1,930
Distribution of Sales:			
Grocery	11	54.9%	45.8 - 61.6%
Meat	11	15.9%	13.5 - 17.2%
Produce	11	8.7%	7.7 - 9.8%
General Merchandise/HaBA	11	0.9%	0.0 - 1.9%
Beer/Wine	11	0.7%	0.0 - 0.9%
Service Deli	11	5.8%	4.3 - 7.2%
Scratch/ Bake-Off Bakery	11	2.7%	0.0 - 1.9%
Frozen Food	11	4.1%	0.0 - 3.8%
Dairy	11	3.5%	0.0 - 5.3%
Other	11	2.9%	0.0 - 4.5%
Total	11	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	11	69.6%	67.1 - 72.0%
Meat	11	21.7%	19.3 - 23.7%
Produce	11	8.7%	7.7 - 9.8%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	11	18.7%	15.0 - 20.8%
Meat	11	26.9%	21.3 - 29.9%
Produce	9	31.8%	30.4 - 32.3%
Total Gross Margin	9	23.3%	21.1 - 23.5%
Operating Expenses:			
Store Labor:			
Regular	9	9.7%	9.1 - 11.2%
Benefits	9	1.5%	0.8 - 2.2%
Total Store Labor Expense	9	10.4%	10.1 - 13.3%
Advertising & Promotion	9	1.3%	0.7 - 2.0%
Occupancy (Excluding Utilities)	9	1.1%	0.0 - 1.3%
Utilities	9	1.4%	1.1 - 1.5%
Maintenance	9	0.7%	0.4 - 0.9%
Store Supplies	9	1.1%	1.1 - 1.3%
Interest	9	0.0%	0.0 - 0.1%
Other	9	1.8%	0.0 - 2.6%
Total Operating Expenses	9	20.7%	14.4 - 23.1%
Profit Before Tax	9	2.7%	0.9 - 6.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	11	$81.63	$72.76 - 90.54
Gross Margin per Labor Hour	8	$16.32	$14.54 - 18.82
Profit Before Tax per Labor Hour	8	$2.48	$0.95 - 5.01
Sales per Labor Dollar	9	$10.32	$8.94 - 10.96
Gross Margin per Labor Dollar	9	$2.24	$1.98 - 2.43
Transactions per Labor Hour	11	6.1	4.9 - 7.1
Payroll per Labor Hour	8	$8.01	$7.00 - 8.20
Benefits per Labor Hour	6	$1.30	
Payroll to Total Expenses	9	52.4%	47.2 - 65.4%
Benefits to Total Expenses	7	7.4%	
Payroll per Hour of Operation	9	$130.22	$96.00 - 211.66
Space Productivity			
Total Store Area:			
Average Square Footage	14	13,450	12,000 - 19,800
Weekly Sales per Square Foot	14	$6.68	$5.97 - 7.77
Weekly Gross Margin per Square Foot	9	$1.47	$1.40 - 1.62
Weekly Profit Before Tax per Sq Ft	9	$0.21	$0.08 - 0.34
Selling Area:			
Average Square Footage	14	10,000	8,000 - 16,625
Weekly Sales per Square Foot	14	$9.17	$7.98 - 10.59
Weekly Gross Margin per Square Foot	9	$2.02	$1.83 - 2.27
Weekly Profit Before Tax per Sq Ft	9	$0.25	$0.09 - 0.51
Average Weekly Sales per Store	14	$91,309	$70,043 - 156,422
Number of Checkouts	14	5	4 - 7
Weekly Sales per Checkout	14	$18,262	$15,859 - 21,116
Weekly Transactions per Checkout	14	1,256	1,158 - 1,554
Selling Square Footage per Checkout	14	2,000	1,719 - 2,438
Occupancy Cost (incl utilities) per Sq Ft	9	$8.63	$4.74 - 10.49
Occupancy Cost (incl util) to Total Expense	9	11.3%	10.6 - 13.0%
Transactions per Square Foot of Selling Area	14	0.64	0.57 - 0.70
Transactions per 1000 Selling Sq Ft per Hour	14	8.04	7.10 - 8.51
Percentage of Selling Area to Total Area	14	76.4%	67.4 - 83.0%
Inventory Dollars per Sq Ft of Selling Area	9	$20.94	$16.23 - 21.58

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	9	19.2%	17.5 - 20.4%
Meat	9	24.3%	22.0 - 24.7%
Produce	9	31.8%	30.4 - 32.3%
General Merchandise/HaBA	4	29.5%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	9	37.3%	30.0 - 41.3%
Scratch/Bake-Off Bakery	3	45.0%	
Frozen Food	2	INSUFFICIENT DATA	
Dairy	3	18.2%	
Other	6	22.3%	
Total Gross Margin	9	23.3%	21.1 - 23.5%
Annual Inventory Turnover:			
Grocery	8	13.2X	11.3 - 15.4X
Meat	8	47.6X	29.4 - 65.9X
Produce	8	54.4X	37.5 - 87.6X
General Merchandise/HaBA	3	7.0X	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	8	23.4X	17.1 - 34.9X
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	2	INSUFFICIENT DATA	
Dairy	3	41.8X	
Other	5	144.4X	
Total Inventory Turnover	9	18.8X	15.9 - 19.3X
Gross Margin Return on Inventory (GMROI):			
Grocery	8	288.8%	272.5 - 347.3%
Meat	8	1,411.2%	946.9 - 2,161.2%
Produce	8	2,523.1%	1,859.2 - 4,400.6%
General Merchandise/HaBA	3	314.1%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	8	1,713.4%	1,045.8 - 1,986.9%
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	2	INSUFFICIENT DATA	
Dairy	3	1,005.8%	
Other	5	4,366.8%	
Total GMROI	9	560.0%	429.4 - 587.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	11	69.6%	67.1 - 72.0%
Meat	11	21.7%	19.3 - 23.7%
Produce	11	8.7%	7.7 - 9.8%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	11	18.7%	15.0 - 20.8%
Meat	11	26.9%	21.3 - 29.9%
Produce	9	31.8%	30.4 - 32.3%
Total Gross Margin	9	23.3%	21.1 - 23.5%
Annual Inventory Turnover:			
Grocery	8	14.5X	12.6 - 16.1X
Meat	8	34.6X	29.8 - 47.7X
Produce	8	54.4X	37.5 - 87.6X
Total Inventory Turnover	9	18.8X	15.9 - 19.3X
Gross Margin Return on Inventory (GMROI):			
Grocery	8	320.2%	277.6 - 417.7%
Meat	8	1,288.8%	1,170.5 - 1,662.4%
Produce	8	2,523.1%	1,859.2 - 4,400.6%
Total GMROI	9	560.0%	429.4 - 587.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	26	4.3%	1.0 - 11.3%
Average Transaction Size	23	$15.25	$12.22 - 18.53
Store Sales per Hour of Operation	26	$1,256	$1,004 - 2,350
Distribution of Sales:			
Grocery	24	57.8%	49.6 - 70.0%
Meat	24	14.3%	13.1 - 15.2%
Produce	24	7.7%	6.7 - 8.6%
General Merchandise/HaBA	24	1.8%	0.0 - 3.5%
Beer/Wine	24	0.4%	0.0 - 0.0%
Service Deli	24	5.3%	3.7 - 6.4%
Scratch/ Bake-Off Bakery	24	1.4%	0.0 - 2.0%
Frozen Food	24	4.5%	0.0 - 7.5%
Dairy	24	6.0%	0.0 - 9.6%
Other	24	0.8%	0.0 - 0.4%
Total	24	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	24	72.7%	70.0 - 75.5%
Meat	24	19.6%	17.8 - 21.8%
Produce	24	7.7%	6.7 - 8.6%
Total Sales	24	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	24	19.8%	18.5 - 21.4%
Meat	24	24.6%	20.8 - 27.2%
Produce	22	30.0%	27.2 - 32.9%
Total Gross Margin	22	21.1%	20.3 - 23.7%
Operating Expenses:			
Store Labor:			
Regular	21	8.0%	7.3 - 8.9%
Benefits	21	1.3%	0.7 - 2.0%
Total Store Labor Expense	21	9.8%	8.4 - 11.0%
Advertising & Promotion	21	1.7%	1.1 - 2.3%
Occupancy (Excluding Utilities)	21	1.3%	0.8 - 1.6%
Utilities	21	1.3%	1.1 - 1.6%
Maintenance	21	0.5%	0.3 - 0.7%
Store Supplies	21	1.0%	0.9 - 1.3%
Interest	21	0.2%	0.0 - 0.5%
Other	21	2.4%	0.5 - 4.6%
Total Operating Expenses	21	19.5%	17.7 - 21.3%
Profit Before Tax	21	2.2%	1.1 - 4.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	24	$81.98	$77.42 - 96.73
Gross Margin per Labor Hour	21	$17.46	$15.55 - 21.38
Profit Before Tax per Labor Hour	19	$2.10	$1.08 - 4.72
Sales per Labor Dollar	21	$12.55	$11.19 - 13.70
Gross Margin per Labor Dollar	20	$2.74	$2.37 - 2.92
Transactions per Labor Hour	23	5.3	5.0 - 7.2
Payroll per Labor Hour	20	$6.52	$5.74 - 8.99
Benefits per Labor Hour	19	$0.83	$0.69 - 2.23
Payroll to Total Expenses	21	44.6%	40.1 - 47.3%
Benefits to Total Expenses	20	8.1%	4.4 - 10.2%
Payroll per Hour of Operation	21	$108.22	$88.03 - 170.64
Space Productivity			
Total Store Area:			
Average Square Footage	26	18,925	14,275 - 24,000
Weekly Sales per Square Foot	26	$7.35	$6.11 - 8.47
Weekly Gross Margin per Square Foot	22	$1.67	$1.25 - 1.87
Weekly Profit Before Tax per Sq Ft	20	$0.13	$0.08 - 0.50
Selling Area:			
Average Square Footage	26	13,000	10,250 - 19,000
Weekly Sales per Square Foot	26	$9.13	$7.65 - 10.56
Weekly Gross Margin per Square Foot	22	$1.99	$1.61 - 2.28
Weekly Profit Before Tax per Sq Ft	20	$0.16	$0.10 - 0.55
Average Weekly Sales per Store	26	$114,543	$87,679 - 225,962
Number of Checkouts	26	6	5 - 8
Weekly Sales per Checkout	26	$18,547	$15,096 - 25,619
Weekly Transactions per Checkout	23	1,333	1,155 - 1,567
Selling Square Footage per Checkout	26	2,042	1,900 - 2,524
Occupancy Cost (incl utilities) per Sq Ft	21	$9.74	$6.28 - 12.78
Occupancy Cost (incl util) to Total Expense	21	12.8%	10.8 - 16.9%
Transactions per Square Foot of Selling Area	23	0.58	0.53 - 0.71
Transactions per 1000 Selling Sq Ft per Hour	23	6.94	5.99 - 8.13
Percentage of Selling Area to Total Area	26	77.6%	74.3 - 83.3%
Inventory Dollars per Sq Ft of Selling Area	22	$18.38	$17.29 - 21.04

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	22	18.6%	17.6 - 20.7%
Meat	22	20.5%	18.4 - 23.5%
Produce	22	30.0%	27.2 - 32.9%
General Merchandise/HaBA	9	20.0%	17.5 - 25.0%
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	22	35.8%	34.9 - 40.8%
Scratch/Bake-Off Bakery	15	39.0%	22.6 - 46.0%
Frozen Food	15	27.6%	26.4 - 28.2%
Dairy	14	19.1%	18.0 - 20.0%
Other	6	22.4%	
Total Gross Margin	22	21.1%	20.3 - 23.7%
Annual Inventory Turnover:			
Grocery	20	15.2X	12.8 - 17.8X
Meat	20	40.2X	37.2 - 49.5X
Produce	20	57.4X	45.4 - 63.4X
General Merchandise/HaBA	8	6.7X	5.1 - 9.5X
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	20	29.0X	25.8 - 34.2X
Scratch/Bake-Off Bakery	12	39.1X	18.5 - 61.7X
Frozen Food	15	17.7X	12.3 - 20.6X
Dairy	14	36.1X	33.2 - 50.5X
Other	5	23.7X	
Total Inventory Turnover	20	18.7X	16.6 - 22.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	20	383.0%	290.1 - 431.2%
Meat	20	1,069.2%	1,000.9 - 1,474.9%
Produce	20	2,644.9%	1,842.3 - 3,010.9%
General Merchandise/HaBA	8	184.5%	126.6 - 317.3%
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	20	1,764.7%	1,535.9 - 1,983.7%
Scratch/Bake-Off Bakery	12	2,022.4%	1,432.1 - 3,262.2%
Frozen Food	15	646.1%	453.3 - 856.5%
Dairy	14	924.6%	714.0 - 1,233.9%
Other	5	735.7%	
Total GMROI	20	585.5%	489.4 - 602.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	24	72.7%	70.0 - 75.5%
Meat	24	19.6%	17.8 - 21.8%
Produce	24	7.7%	6.7 - 8.6%
Total Sales	24	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	24	19.8%	18.5 - 21.4%
Meat	24	24.6%	20.8 - 27.2%
Produce	22	30.0%	27.2 - 32.9%
Total Gross Margin	22	21.1%	20.3 - 23.7%
Annual Inventory Turnover:			
Grocery	21	16.3X	13.5 - 19.9X
Meat	21	38.3X	32.3 - 44.8X
Produce	20	57.4X	45.4 - 63.4X
Total Inventory Turnover	20	18.7X	16.6 - 22.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	21	418.6%	330.6 - 477.0%
Meat	21	1,237.5%	1,039.8 - 1,560.0%
Produce	20	2,644.9%	1,842.3 - 3,010.9%
Total GMROI	20	585.5%	489.4 - 602.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	46	3.4%	0.5 - 7.5%
Average Transaction Size	39	$13.06	$10.33 - 16.51
Store Sales per Hour of Operation	46	$882	$760 - 1,261
Distribution of Sales:			
Grocery	44	52.8%	47.1 - 61.2%
Meat	44	16.3%	13.8 - 18.3%
Produce	44	8.2%	5.6 - 7.8%
General Merchandise/HaBA	44	3.3%	0.0 - 5.4%
Beer/Wine	44	1.2%	0.0 - 2.5%
Service Deli	44	3.0%	0.0 - 4.6%
Scratch/ Bake-Off Bakery	44	2.0%	0.0 - 3.0%
Frozen Food	44	4.3%	0.0 - 6.2%
Dairy	44	6.4%	0.0 - 9.4%
Other	44	2.7%	0.0 - 2.9%
Total	44	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	44	72.6%	72.5 - 77.9%
Meat	44	19.2%	16.2 - 21.1%
Produce	44	8.2%	5.6 - 7.8%
Total Sales	44	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	44	21.9%	19.2 - 23.1%
Meat	44	22.7%	19.6 - 26.4%
Produce	43	28.1%	26.4 - 30.6%
Total Gross Margin	43	22.3%	20.0 - 24.0%
Operating Expenses:			
Store Labor:			
Regular	45	9.1%	8.0 - 10.2%
Benefits	45	1.7%	0.5 - 2.2%
Total Store Labor Expense	45	10.7%	8.9 - 12.0%
Advertising & Promotion	45	1.4%	0.9 - 1.8%
Occupancy (Excluding Utilities)	45	1.4%	1.0 - 2.0%
Utilities	45	1.3%	1.1 - 1.5%
Maintenance	45	0.6%	0.5 - 0.7%
Store Supplies	45	1.2%	0.9 - 1.3%
Interest	45	0.2%	0.0 - 0.5%
Other	45	2.4%	1.3 - 4.0%
Total Operating Expenses	45	19.9%	17.3 - 22.3%
Profit Before Tax	45	1.7%	0.2 - 3.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	41	$73.99	$59.92 - 82.47
Gross Margin per Labor Hour	40	$16.46	$12.88 - 18.49
Profit Before Tax per Labor Hour	39	$1.32	$0.24 - 2.32
Sales per Labor Dollar	45	$10.98	$9.77 - 12.46
Gross Margin per Labor Dollar	44	$2.36	$2.15 - 2.59
Transactions per Labor Hour	35	5.4	4.1 - 6.6
Payroll per Labor Hour	39	$6.14	$5.41 - 7.79
Benefits per Labor Hour	35	$1.31	$0.83 - 1.74
Payroll to Total Expenses	45	45.6%	42.1 - 51.5%
Benefits to Total Expenses	38	9.2%	6.0 - 11.5%
Payroll per Hour of Operation	44	$82.11	$60.46 - 122.63
Space Productivity			
Total Store Area:			
Average Square Footage	49	20,000	15,000 - 22,500
Weekly Sales per Square Foot	48	$4.99	$4.18 - 7.01
Weekly Gross Margin per Square Foot	45	$1.09	$0.88 - 1.51
Weekly Profit Before Tax per Sq Ft	44	$0.09	$0.01 - 0.20
Selling Area:			
Average Square Footage	49	15,000	11,000 - 17,000
Weekly Sales per Square Foot	48	$6.48	$5.05 - 9.08
Weekly Gross Margin per Square Foot	45	$1.43	$1.07 - 1.97
Weekly Profit Before Tax per Sq Ft	44	$0.11	$0.02 - 0.28
Average Weekly Sales per Store	48	$90,431	$71,846 - 127,306
Number of Checkouts	48	5	5 - 6
Weekly Sales per Checkout	47	$17,113	$14,309 - 21,132
Weekly Transactions per Checkout	39	1,418	1,099 - 1,573
Selling Square Footage per Checkout	47	2,583	2,134 - 3,010
Occupancy Cost (incl utilities) per Sq Ft	45	$7.18	$5.19 - 9.60
Occupancy Cost (incl util) to Total Expense	45	14.6%	11.0 - 18.3%
Transactions per Square Foot of Selling Area	39	0.50	0.42 - 0.64
Transactions per 1000 Selling Sq Ft per Hour	39	5.51	4.32 - 6.47
Percentage of Selling Area to Total Area	48	75.8%	68.7 - 80.4%
Inventory Dollars per Sq Ft of Selling Area	45	$16.43	$13.48 - 20.16

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	43	20.4%	18.6 - 21.9%
Meat	43	20.5%	19.2 - 22.6%
Produce	43	28.1%	26.4 - 30.6%
General Merchandise/HaBA	26	23.3%	20.0 - 26.5%
Beer/Wine	16	25.4%	21.3 - 28.9%
Service Deli	29	38.2%	32.7 - 42.9%
Scratch/Bake-Off Bakery	27	46.9%	38.9 - 56.0%
Frozen Food	23	23.2%	21.6 - 25.8%
Dairy	23	18.8%	15.0 - 21.8%
Other	22	20.7%	14.4 - 22.6%
Total Gross Margin	43	22.3%	20.0 - 24.0%
Annual Inventory Turnover:			
Grocery	41	14.5X	10.0 - 19.5X
Meat	39	44.9X	36.4 - 55.3X
Produce	41	56.5X	42.5 - 71.2X
General Merchandise/HaBA	24	5.5X	4.2 - 6.5X
Beer/Wine	14	9.0X	8.2 - 12.8X
Service Deli	27	29.8X	25.8 - 38.9X
Scratch/Bake-Off Bakery	25	23.6X	17.0 - 31.2X
Frozen Food	21	16.7X	14.9 - 23.8X
Dairy	21	34.5X	26.4 - 48.5X
Other	18	6.9X	4.2 - 8.9X
Total Inventory Turnover	44	17.8X	14.4 - 21.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	42	339.6%	260.9 - 469.6%
Meat	40	1,150.1%	942.8 - 1,732.2%
Produce	42	2,148.2%	1,659.6 - 2,919.4%
General Merchandise/HaBA	25	178.1%	116.1 - 263.0%
Beer/Wine	15	366.9%	329.2 - 507.4%
Service Deli	27	1,997.2%	1,448.4 - 2,698.2%
Scratch/Bake-Off Bakery	26	2,510.8%	1,602.6 - 3,303.8%
Frozen Food	21	619.5%	442.2 - 755.7%
Dairy	21	787.1%	646.2 - 1,171.8%
Other	18	235.2%	107.5 - 522.0%
Total GMROI	44	473.0%	365.5 - 604.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	44	72.6%	72.5 - 77.9%
Meat	44	19.2%	16.2 - 21.1%
Produce	44	8.2%	5.6 - 7.8%
Total Sales	44	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	44	21.9%	19.2 - 23.1%
Meat	44	22.7%	19.6 - 26.4%
Produce	43	28.1%	26.4 - 30.6%
Total Gross Margin	43	22.3%	20.0 - 24.0%
Annual Inventory Turnover:			
Grocery	42	14.6X	10.8 - 17.8X
Meat	40	42.1X	34.4 - 49.7X
Produce	41	56.5X	42.5 - 71.2X
Total Inventory Turnover	44	17.8X	14.4 - 21.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	43	356.0%	283.8 - 477.2%
Meat	41	1,301.6%	885.4 - 1,793.7%
Produce	42	2,148.2%	1,659.6 - 2,919.4%
Total GMROI	44	473.0%	365.5 - 604.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	13	4.1%	-1.0 - 8.5%
Average Transaction Size	16	$10.79	$9.51 - 14.05
Store Sales per Hour of Operation	16	$677	$475 - 850
Distribution of Sales:			
Grocery	13	52.6%	43.5 - 54.2%
Meat	13	15.7%	13.4 - 17.7%
Produce	13	7.6%	6.7 - 7.8%
General Merchandise/HaBA	13	3.7%	1.8 - 5.0%
Beer/Wine	13	1.4%	0.0 - 2.0%
Service Deli	13	1.4%	0.0 - 2.8%
Scratch/ Bake-Off Bakery	13	2.0%	1.6 - 3.0%
Frozen Food	13	5.6%	5.0 - 7.3%
Dairy	13	8.3%	8.6 - 10.8%
Other	13	1.8%	0.0 - 0.9%
Total	13	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	13	75.3%	73.3 - 77.0%
Meat	13	17.0%	16.0 - 18.5%
Produce	13	7.6%	6.7 - 7.8%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	13	20.7%	19.4 - 21.9%
Meat	13	24.0%	20.7 - 24.9%
Produce	12	28.4%	27.9 - 31.6%
Total Gross Margin	13	22.2%	20.4 - 22.9%
Operating Expenses:			
Store Labor:			
Regular	13	9.1%	8.2 - 10.0%
Benefits	13	1.4%	1.0 - 1.6%
Total Store Labor Expense	13	10.7%	9.4 - 11.4%
Advertising & Promotion	13	1.6%	1.1 - 1.8%
Occupancy (Excluding Utilities)	13	1.6%	0.6 - 1.7%
Utilities	13	1.3%	1.1 - 1.5%
Maintenance	13	0.9%	0.5 - 1.0%
Store Supplies	13	1.1%	1.0 - 1.3%
Interest	13	0.3%	0.2 - 1.0%
Other	13	1.5%	0.0 - 4.0%
Total Operating Expenses	13	21.5%	19.6 - 23.5%
Profit Before Tax	13	0.8%	0.0 - 2.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	15	$82.80	$59.68 - 91.86
Gross Margin per Labor Hour	13	$16.87	$13.56 - 21.66
Profit Before Tax per Labor Hour	13	$0.74	$0.02 - 2.23
Sales per Labor Dollar	13	$11.01	$10.00 - 12.23
Gross Margin per Labor Dollar	13	$2.60	$2.14 - 2.80
Transactions per Labor Hour	15	7.2	5.0 - 8.9
Payroll per Labor Hour	13	$6.72	$5.48 - 7.90
Benefits per Labor Hour	13	$0.90	$0.74 - 1.15
Payroll to Total Expenses	13	44.2%	38.6 - 51.2%
Benefits to Total Expenses	13	5.8%	4.7 - 6.9%
Payroll per Hour of Operation	13	$65.09	$50.04 - 83.97
Space Productivity			
Total Store Area:			
Average Square Footage	16	14,780	13,589 - 19,033
Weekly Sales per Square Foot	16	$4.59	$3.48 - 6.36
Weekly Gross Margin per Square Foot	13	$1.10	$0.86 - 1.65
Weekly Profit Before Tax per Sq Ft	13	$0.05	$0.00 - 0.14
Selling Area:			
Average Square Footage	16	12,000	9,963 - 13,350
Weekly Sales per Square Foot	16	$5.83	$4.09 - 9.12
Weekly Gross Margin per Square Foot	13	$1.34	$1.05 - 2.29
Weekly Profit Before Tax per Sq Ft	13	$0.06	$0.00 - 0.17
Average Weekly Sales per Store	16	$58,744	$45,399 - 118,357
Number of Checkouts	15	4	4 - 6
Weekly Sales per Checkout	15	$14,744	$10,841 - 18,901
Weekly Transactions per Checkout	15	1,414	1,150 - 1,621
Selling Square Footage per Checkout	15	2,850	2,128 - 3,000
Occupancy Cost (incl utilities) per Sq Ft	13	$7.67	$6.60 - 12.27
Occupancy Cost (incl util) to Total Expense	13	14.0%	10.9 - 22.5%
Transactions per Square Foot of Selling Area	16	0.52	0.41 - 0.89
Transactions per 1000 Selling Sq Ft per Hour	16	5.44	3.52 - 6.29
Percentage of Selling Area to Total Area	16	81.1%	78.8 - 85.1%
Inventory Dollars per Sq Ft of Selling Area	13	$18.70	$16.67 - 20.51

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	12	19.1%	18.7 - 21.0%
Meat	12	21.6%	20.5 - 23.7%
Produce	12	28.4%	27.9 - 31.6%
General Merchandise/HaBA	10	29.0%	26.5 - 31.5%
Beer/Wine	4	19.7%	
Service Deli	6	45.4%	
Scratch/Bake-Off Bakery	10	46.7%	38.5 - 50.6%
Frozen Food	11	25.4%	24.0 - 27.0%
Dairy	11	21.3%	19.5 - 22.8%
Other	5	19.5%	
Total Gross Margin	13	22.2%	20.4 - 22.9%
Annual Inventory Turnover:			
Grocery	12	12.7X	10.4 - 16.4X
Meat	12	34.7X	31.4 - 40.7X
Produce	12	53.0X	44.4 - 63.4X
General Merchandise/HaBA	10	4.4X	3.2 - 6.0X
Beer/Wine	4	11.6X	
Service Deli	6	15.6X	
Scratch/Bake-Off Bakery	10	27.0X	18.2 - 32.8X
Frozen Food	11	18.3X	16.8 - 28.8X
Dairy	11	38.9X	32.9 - 50.0X
Other	5	18.5X	
Total Inventory Turnover	13	14.1X	12.5 - 16.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	12	326.4%	240.6 - 407.5%
Meat	12	988.6%	817.2 - 1,207.1%
Produce	12	2,149.2%	1,645.7 - 2,697.8%
General Merchandise/HaBA	10	225.2%	154.3 - 271.5%
Beer/Wine	4	287.2%	
Service Deli	6	1,216.3%	
Scratch/Bake-Off Bakery	10	1,830.1%	1,664.3 - 2,353.8%
Frozen Food	11	651.6%	614.5 - 877.0%
Dairy	11	1,238.0%	708.6 - 1,427.0%
Other	5	406.2%	
Total GMROI	13	388.2%	315.6 - 531.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	13	75.3%	73.3 - 77.0%
Meat	13	17.0%	16.0 - 18.5%
Produce	13	7.6%	6.7 - 7.8%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	13	20.7%	19.4 - 21.9%
Meat	13	24.0%	20.7 - 24.9%
Produce	12	28.4%	27.9 - 31.6%
Total Gross Margin	13	22.2%	20.4 - 22.9%
Annual Inventory Turnover:			
Grocery	12	12.1X	10.9 - 14.6X
Meat	12	32.4X	30.1 - 37.1X
Produce	12	53.0X	44.4 - 63.4X
Total Inventory Turnover	13	14.1X	12.5 - 16.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	12	303.1%	267.2 - 449.9%
Meat	12	987.8%	845.0 - 1,251.6%
Produce	12	2,149.2%	1,645.7 - 2,697.8%
Total GMROI	13	388.2%	315.6 - 531.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	13	7.0%	0.3 - 9.8%
Average Transaction Size	11	$14.83	$12.53 - 18.84
Store Sales per Hour of Operation	13	$1,101	$772 - 1,400
Distribution of Sales:			
Grocery	11	55.2%	50.2 - 61.3%
Meat	11	18.9%	17.1 - 19.4%
Produce	11	6.7%	5.4 - 7.8%
General Merchandise/HaBA	11	2.0%	0.0 - 3.3%
Beer/Wine	11	0.0%	0.0 - 0.0%
Service Deli	11	4.6%	3.4 - 6.4%
Scratch/ Bake-Off Bakery	11	0.7%	0.0 - 1.5%
Frozen Food	11	4.9%	1.4 - 6.1%
Dairy	11	5.3%	0.0 - 9.0%
Other	11	1.8%	0.0 - 2.6%
Total	11	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	11	69.8%	68.1 - 73.2%
Meat	11	23.5%	20.5 - 26.0%
Produce	11	6.7%	5.4 - 7.8%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	11	17.1%	16.5 - 18.4%
Meat	11	21.5%	20.0 - 25.1%
Produce	9	28.0%	27.1 - 30.7%
Total Gross Margin	9	19.6%	19.3 - 20.5%
Operating Expenses:			
Store Labor:			
Regular	10	9.1%	8.5 - 9.5%
Benefits	10	1.2%	1.0 - 1.4%
Total Store Labor Expense	10	10.0%	9.7 - 10.7%
Advertising & Promotion	10	1.2%	0.9 - 1.5%
Occupancy (Excluding Utilities)	10	1.2%	0.6 - 2.7%
Utilities	10	1.1%	1.0 - 1.2%
Maintenance	10	0.4%	0.3 - 0.5%
Store Supplies	10	1.1%	1.0 - 1.3%
Interest	10	0.1%	0.0 - 0.2%
Other	10	2.2%	0.2 - 4.0%
Total Operating Expenses	10	18.7%	17.8 - 19.1%
Profit Before Tax	10	0.7%	0.3 - 1.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	11	$69.30	$64.80 - 79.19
Gross Margin per Labor Hour	8	$14.74	$13.22 - 17.91
Profit Before Tax per Labor Hour	8	$0.80	$0.24 - 1.77
Sales per Labor Dollar	10	$10.99	$10.48 - 11.79
Gross Margin per Labor Dollar	10	$2.11	$1.92 - 2.45
Transactions per Labor Hour	9	5.1	5.0 - 6.4
Payroll per Labor Hour	8	$6.57	$6.11 - 9.39
Benefits per Labor Hour	8	$0.92	$0.83 - 1.22
Payroll to Total Expenses	10	48.9%	44.4 - 55.1%
Benefits to Total Expenses	10	6.3%	5.8 - 7.3%
Payroll per Hour of Operation	10	$117.27	$78.25 - 155.26
Space Productivity			
Total Store Area:			
Average Square Footage	13	21,000	12,000 - 22,500
Weekly Sales per Square Foot	13	$5.41	$4.95 - 7.34
Weekly Gross Margin per Square Foot	10	$0.94	$0.86 - 1.15
Weekly Profit Before Tax per Sq Ft	10	$0.03	$0.01 - 0.09
Selling Area:			
Average Square Footage	13	14,625	10,000 - 15,146
Weekly Sales per Square Foot	13	$7.39	$7.12 - 10.62
Weekly Gross Margin per Square Foot	10	$1.37	$1.30 - 1.60
Weekly Profit Before Tax per Sq Ft	10	$0.05	$0.02 - 0.12
Average Weekly Sales per Store	13	$107,902	$64,854 - 123,827
Number of Checkouts	13	6	4 - 7
Weekly Sales per Checkout	13	$18,803	$16,214 - 22,005
Weekly Transactions per Checkout	11	1,281	978 - 1,543
Selling Square Footage per Checkout	13	2,143	2,000 - 2,500
Occupancy Cost (incl utilities) per Sq Ft	10	$6.52	$4.61 - 10.28
Occupancy Cost (incl util) to Total Expense	10	12.4%	9.2 - 20.0%
Transactions per Square Foot of Selling Area	11	0.61	0.46 - 0.68
Transactions per 1000 Selling Sq Ft per Hour	11	5.86	5.20 - 7.01
Percentage of Selling Area to Total Area	13	69.1%	66.7 - 75.0%
Inventory Dollars per Sq Ft of Selling Area	7	$18.06	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	9	17.8%	16.6 - 18.3%
Meat	9	19.7%	17.8 - 22.3%
Produce	9	28.0%	27.1 - 30.7%
General Merchandise/HaBA	4	18.4%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	8	36.3%	35.5 - 41.6%
Scratch/Bake-Off Bakery	4	33.3%	
Frozen Food	8	22.2%	20.7 - 24.5%
Dairy	7	15.8%	
Other	3	10.5%	
Total Gross Margin	9	19.6%	19.3 - 20.5%
Annual Inventory Turnover:			
Grocery	7	14.3X	
Meat	7	47.1X	
Produce	7	64.6X	
General Merchandise/HaBA	4	3.1X	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	6	37.0X	
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	6	18.0X	
Dairy	5	35.5X	
Other	1	INSUFFICIENT DATA	
Total Inventory Turnover	7	15.9X	
Gross Margin Return on Inventory (GMROI):			
Grocery	7	284.2%	
Meat	7	932.4%	
Produce	7	3,359.7%	
General Merchandise/HaBA	4	82.0%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	6	2,017.7%	
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	6	603.4%	
Dairy	5	846.7%	
Other	1	INSUFFICIENT DATA	
Total GMROI	7	374.9%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	11	69.8%	68.1 - 73.2%
Meat	11	23.5%	20.5 - 26.0%
Produce	11	6.7%	5.4 - 7.8%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	11	17.1%	16.5 - 18.4%
Meat	11	21.5%	20.0 - 25.1%
Produce	9	28.0%	27.1 - 30.7%
Total Gross Margin	9	19.6%	19.3 - 20.5%
Annual Inventory Turnover:			
Grocery	7	13.7X	
Meat	7	45.6X	
Produce	7	64.6X	
Total Inventory Turnover	7	15.9X	
Gross Margin Return on Inventory (GMROI):			
Grocery	7	298.0%	
Meat	7	1,172.5%	
Produce	7	3,359.7%	
Total GMROI	7	374.9%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	18	7.6%	3.1 - 11.1%
Average Transaction Size	20	$11.68	$9.89 - 13.87
Store Sales per Hour of Operation	19	$870	$687 - 1,248
Distribution of Sales:			
Grocery	20	58.1%	48.7 - 67.7%
Meat	20	21.4%	18.8 - 24.5%
Produce	20	7.1%	6.0 - 7.3%
General Merchandise/HaBA	20	1.2%	0.0 - 1.5%
Beer/Wine	20	0.6%	0.0 - 0.0%
Service Deli	20	2.1%	0.0 - 3.9%
Scratch/ Bake-Off Bakery	20	0.8%	0.0 - 0.0%
Frozen Food	20	2.0%	0.0 - 4.6%
Dairy	20	5.3%	0.0 - 10.1%
Other	20	1.6%	0.0 - 2.7%
Total	20	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	20	69.4%	68.1 - 71.2%
Meat	20	23.6%	21.8 - 25.1%
Produce	20	7.1%	6.0 - 7.3%
Total Sales	20	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	20	18.0%	16.5 - 19.9%
Meat	20	23.2%	21.9 - 26.1%
Produce	20	31.1%	28.6 - 32.8%
Total Gross Margin	20	20.0%	19.0 - 21.4%
Operating Expenses:			
Store Labor:			
Regular	20	7.9%	7.3 - 8.4%
Benefits	20	0.9%	0.4 - 1.6%
Total Store Labor Expense	20	8.6%	7.9 - 9.2%
Advertising & Promotion	20	1.4%	0.9 - 1.8%
Occupancy (Excluding Utilities)	20	1.1%	0.9 - 1.5%
Utilities	20	1.4%	1.3 - 1.6%
Maintenance	20	0.5%	0.4 - 0.6%
Store Supplies	20	1.0%	0.9 - 1.2%
Interest	20	0.2%	0.0 - 0.6%
Other	20	3.7%	2.9 - 4.0%
Total Operating Expenses	20	18.5%	18.0 - 19.4%
Profit Before Tax	20	2.0%	1.0 - 2.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	18	$68.98	$62.49 - 80.05
Gross Margin per Labor Hour	18	$13.79	$12.75 - 15.87
Profit Before Tax per Labor Hour	18	$1.31	$0.48 - 1.97
Sales per Labor Dollar	20	$12.69	$11.88 - 13.69
Gross Margin per Labor Dollar	20	$2.56	$2.17 - 2.72
Transactions per Labor Hour	18	6.2	5.3 - 7.0
Payroll per Labor Hour	18	$5.39	$5.18 - 6.04
Benefits per Labor Hour	16	$0.66	$0.42 - 1.02
Payroll to Total Expenses	20	41.3%	39.4 - 46.0%
Benefits to Total Expenses	18	5.9%	3.1 - 8.3%
Payroll per Hour of Operation	19	$69.60	$56.43 - 97.01
Space Productivity			
Total Store Area:			
Average Square Footage	20	15,150	12,000 - 18,525
Weekly Sales per Square Foot	20	$5.38	$4.97 - 6.02
Weekly Gross Margin per Square Foot	20	$1.09	$0.97 - 1.16
Weekly Profit Before Tax per Sq Ft	20	$0.10	$0.05 - 0.14
Selling Area:			
Average Square Footage	20	12,000	8,500 - 12,805
Weekly Sales per Square Foot	20	$6.89	$6.34 - 8.41
Weekly Gross Margin per Square Foot	20	$1.38	$1.21 - 1.58
Weekly Profit Before Tax per Sq Ft	20	$0.13	$0.06 - 0.18
Average Weekly Sales per Store	20	$78,427	$62,201 - 102,794
Number of Checkouts	18	6	5 - 7
Weekly Sales per Checkout	18	$14,663	$13,251 - 15,356
Weekly Transactions per Checkout	18	1,271	1,065 - 1,426
Selling Square Footage per Checkout	18	1,960	1,788 - 2,363
Occupancy Cost (incl utilities) per Sq Ft	20	$7.10	$6.12 - 8.74
Occupancy Cost (incl util) to Total Expense	20	12.9%	12.0 - 15.7%
Transactions per Square Foot of Selling Area	20	0.64	0.51 - 0.78
Transactions per 1000 Selling Sq Ft per Hour	19	6.55	5.35 - 9.85
Percentage of Selling Area to Total Area	20	75.4%	68.9 - 82.4%
Inventory Dollars per Sq Ft of Selling Area	17	$15.74	$12.85 - 22.15

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	20	17.6%	16.1 - 19.7%
Meat	20	22.0%	20.0 - 23.3%
Produce	20	31.1%	28.6 - 32.8%
General Merchandise/HaBA	7	25.6%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	8	44.5%	42.1 - 45.2%
Scratch/Bake-Off Bakery	4	26.8%	
Frozen Food	8	23.8%	21.8 - 28.4%
Dairy	10	19.3%	18.4 - 24.4%
Other	8	20.6%	17.0 - 35.9%
Total Gross Margin	20	20.0%	19.0 - 21.4%
Annual Inventory Turnover:			
Grocery	17	14.8X	11.5 - 16.1X
Meat	17	49.4X	36.1 - 63.8X
Produce	17	58.6X	34.7 - 71.5X
General Merchandise/HaBA	4	6.2X	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	7	25.5X	
Scratch/Bake-Off Bakery	4	16.6X	
Frozen Food	5	22.8X	
Dairy	7	45.7X	
Other	5	18.0X	
Total Inventory Turnover	17	18.2X	14.1 - 19.9X
Gross Margin Return on Inventory (GMROI):			
Grocery	17	304.2%	200.5 - 353.3%
Meat	17	1,398.9%	893.0 - 2,074.6%
Produce	17	2,594.1%	1,849.7 - 3,424.1%
General Merchandise/HaBA	4	228.2%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	7	2,380.5%	
Scratch/Bake-Off Bakery	4	842.1%	
Frozen Food	5	779.9%	
Dairy	7	1,080.0%	
Other	5	453.3%	
Total GMROI	17	478.4%	348.7 - 518.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	20	69.4%	68.1 - 71.2%
Meat	20	23.6%	21.8 - 25.1%
Produce	20	7.1%	6.0 - 7.3%
Total Sales	20	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	20	18.0%	16.5 - 19.9%
Meat	20	23.2%	21.9 - 26.1%
Produce	20	31.1%	28.6 - 32.8%
Total Gross Margin	20	20.0%	19.0 - 21.4%
Annual Inventory Turnover:			
Grocery	17	14.8X	10.8 - 16.6X
Meat	17	46.0X	34.7 - 58.9X
Produce	17	58.6X	34.7 - 71.5X
Total Inventory Turnover	17	18.2X	14.1 - 19.9X
Gross Margin Return on Inventory (GMROI):			
Grocery	17	304.2%	210.6 - 375.4%
Meat	17	1,538.4%	1,212.4 - 2,074.6%
Produce	17	2,594.1%	1,849.7 - 3,424.1%
Total GMROI	17	478.4%	348.7 - 518.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST SOUTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	13	-0.5%	-2.6 - 11.6%
Average Transaction Size	13	$12.51	$10.23 - 13.68
Store Sales per Hour of Operation	15	$1,014	$784 - 1,165
Distribution of Sales:			
Grocery	13	65.0%	54.2 - 75.1%
Meat	13	19.0%	17.8 - 19.1%
Produce	13	6.5%	5.9 - 6.9%
General Merchandise/HaBA	15	2.6%	0.0 - 5.1%
Beer/Wine	13	0.3%	0.0 - 0.0%
Service Deli	13	0.3%	0.0 - 0.2%
Scratch/ Bake-Off Bakery	13	0.8%	0.0 - 1.5%
Frozen Food	13	2.0%	0.0 - 4.4%
Dairy	13	2.9%	0.0 - 6.7%
Other	13	0.7%	0.0 - 0.0%
Total	13	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	13	74.2%	72.9 - 76.0%
Meat	13	19.3%	17.8 - 19.1%
Produce	13	6.5%	5.9 - 6.9%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	13	19.0%	18.1 - 20.2%
Meat	13	22.7%	19.8 - 24.7%
Produce	13	31.5%	29.1 - 33.1%
Total Gross Margin	13	20.8%	19.3 - 21.3%
Operating Expenses:			
Store Labor:	13	7.4%	6.9 - 7.4%
Regular	13	1.0%	0.8 - 1.3%
Benefits	13	8.2%	7.9 - 8.8%
Total Store Labor Expense	13	1.1%	0.8 - 1.3%
Advertising & Promotion	13	1.5%	1.3 - 2.3%
Occupancy (Excluding Utilities)	13	1.2%	1.1 - 1.4%
Utilities	13	0.8%	0.3 - 1.0%
Maintenance	13	0.9%	0.8 - 1.2%
Store Supplies	13	0.7%	0.1 - 0.9%
Interest	13	2.9%	1.0 - 4.5%
Other	13	17.9%	17.2 - 18.9%
Total Operating Expenses			
Profit Before Tax	13	3.1%	1.4 - 3.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST SOUTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	14	$75.32	$69.98 - 88.66
Gross Margin per Labor Hour	12	$14.90	$13.90 - 18.39
Profit Before Tax per Labor Hour	12	$2.26	$0.99 - 3.14
Sales per Labor Dollar	13	$13.58	$13.46 - 14.48
Gross Margin per Labor Dollar	13	$2.81	$2.73 - 2.92
Transactions per Labor Hour	12	6.5	5.4 - 7.6
Payroll per Labor Hour	12	$5.54	$4.88 - 6.21
Benefits per Labor Hour	12	$0.77	$0.57 - 0.89
Payroll to Total Expenses	13	42.0%	37.3 - 44.6%
Benefits to Total Expenses	12	6.6%	4.2 - 7.9%
Payroll per Hour of Operation	13	$63.39	$51.97 - 84.44
Space Productivity			
Total Store Area:			
Average Square Footage	15	22,000	17,770 - 24,900
Weekly Sales per Square Foot	15	$4.38	$3.73 - 5.69
Weekly Gross Margin per Square Foot	13	$0.90	$0.84 - 1.13
Weekly Profit Before Tax per Sq Ft	13	$0.13	$0.06 - 0.19
Selling Area:			
Average Square Footage	15	16,800	14,450 - 20,032
Weekly Sales per Square Foot	15	$5.39	$4.73 - 6.95
Weekly Gross Margin per Square Foot	13	$1.08	$1.04 - 1.33
Weekly Profit Before Tax per Sq Ft	13	$0.17	$0.07 - 0.26
Average Weekly Sales per Store	15	$85,561	$70,839 - 102,579
Number of Checkouts	15	6	5 - 7
Weekly Sales per Checkout	15	$15,331	$14,103 - 17,204
Weekly Transactions per Checkout	13	1,218	1,087 - 1,673
Selling Square Footage per Checkout	15	3,000	2,538 - 3,194
Occupancy Cost (incl utilities) per Sq Ft	13	$6.69	$5.23 - 9.38
Occupancy Cost (incl util) to Total Expense	13	16.8%	13.6 - 21.8%
Transactions per Square Foot of Selling Area	13	0.39	0.34 - 0.52
Transactions per 1000 Selling Sq Ft per Hour	13	4.98	3.64 - 5.15
Percentage of Selling Area to Total Area	15	80.4%	76.8 - 84.0%
Inventory Dollars per Sq Ft of Selling Area	14	$16.97	$13.26 - 21.32

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST SOUTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	13	18.1%	16.9 - 20.2%
Meat	13	22.5%	19.8 - 24.7%
Produce	13	31.5%	29.1 - 33.1%
General Merchandise/HaBA	5	27.1%	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	4	36.1%	
Scratch/Bake-Off Bakery	6	46.9%	
Frozen Food	4	22.3%	
Dairy	4	20.6%	
Other	2	INSUFFICIENT DATA	
Total Gross Margin	13	20.8%	19.3 - 21.3%
Annual Inventory Turnover:			
Grocery	13	10.2X	8.9 - 14.6X
Meat	13	41.9X	38.8 - 51.7X
Produce	13	55.4X	44.3 - 65.8X
General Merchandise/HaBA	5	3.8X	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	4	13.6X	
Scratch/Bake-Off Bakery	6	10.9X	
Frozen Food	4	13.0X	
Dairy	4	46.2X	
Other	2	INSUFFICIENT DATA	
Total Inventory Turnover	13	12.0X	10.9 - 15.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	271.7%	199.1 - 338.5%
Meat	13	1,261.7%	1,096.8 - 1,550.0%
Produce	13	2,509.7%	1,778.3 - 3,196.7%
General Merchandise/HaBA	5	146.7%	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	4	789.3%	
Scratch/Bake-Off Bakery	6	931.1%	
Frozen Food	4	353.6%	
Dairy	4	1,195.1%	
Other	2	INSUFFICIENT DATA	
Total GMROI	13	314.6%	269.2 - 420.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEST SOUTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	13	74.2%	72.9 - 76.0%
Meat	13	19.3%	17.8 - 19.1%
Produce	13	6.5%	5.9 - 6.9%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	13	19.0%	18.1 - 20.2%
Meat	13	22.7%	19.8 - 24.7%
Produce	13	31.5%	29.1 - 33.1%
Total Gross Margin	13	20.8%	19.3 - 21.3%
Annual Inventory Turnover:			
Grocery	13	9.8X	8.7 - 12.4X
Meat	13	40.3X	36.7 - 49.8X
Produce	13	55.4X	44.3 - 65.8X
Total Inventory Turnover	13	12.0X	10.9 - 15.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	229.2%	199.1 - 309.5%
Meat	13	1,250.9%	1,096.8 - 1,407.1%
Produce	13	2,509.7%	1,778.3 - 3,196.7%
Total GMROI	13	314.6%	269.2 - 420.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOUNTAIN REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	13	-0.2%	-2.5 - 5.0%
Average Transaction Size	12	$10.34	$9.39 - 15.37
Store Sales per Hour of Operation	14	$567	$466 - 1,135
Distribution of Sales:			
Grocery	13	65.6%	65.0 - 72.1%
Meat	13	15.3%	13.2 - 16.6%
Produce	13	7.7%	6.0 - 9.4%
General Merchandise/HaBA	13	4.1%	0.0 - 7.1%
Beer/Wine	13	0.6%	0.0 - 0.0%
Service Deli	13	1.3%	0.0 - 0.2%
Scratch/ Bake-Off Bakery	13	1.5%	0.0 - 2.6%
Frozen Food	13	0.9%	0.0 - 0.0%
Dairy	13	1.9%	0.0 - 0.0%
Other	13	1.1%	0.0 - 1.2%
Total	13	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	13	75.7%	73.5 - 76.9%
Meat	13	16.6%	15.2 - 18.3%
Produce	13	7.7%	6.0 - 9.4%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	13	20.5%	18.8 - 21.8%
Meat	13	20.3%	18.7 - 23.7%
Produce	13	30.5%	28.8 - 31.7%
Total Gross Margin	13	20.8%	19.9 - 22.4%
Operating Expenses:			
Store Labor:			
Regular	14	8.2%	8.0 - 9.1%
Benefits	14	1.4%	0.2 - 1.7%
Total Store Labor Expense	14	9.6%	8.4 - 10.8%
Advertising & Promotion	14	0.9%	0.6 - 1.2%
Occupancy (Excluding Utilities)	14	2.0%	1.5 - 2.3%
Utilities	14	1.1%	0.9 - 1.4%
Maintenance	14	0.6%	0.4 - 0.6%
Store Supplies	14	0.8%	0.5 - 0.9%
Interest	14	0.5%	0.3 - 1.0%
Other	14	3.9%	1.7 - 4.3%
Total Operating Expenses	14	19.9%	17.3 - 20.9%
Profit Before Tax	14	1.1%	0.1 - 3.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOUNTAIN REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	11	$73.89	$67.40 - 86.79
Gross Margin per Labor Hour	11	$15.95	$13.10 - 19.17
Profit Before Tax per Labor Hour	11	$0.76	-$0.05 - 1.49
Sales per Labor Dollar	14	$12.19	$10.95 - 12.54
Gross Margin per Labor Dollar	14	$2.61	$2.28 - 2.78
Transactions per Labor Hour	9	7.3	7.1 - 8.0
Payroll per Labor Hour	11	$6.20	$5.81 - 7.51
Benefits per Labor Hour	9	$1.20	$0.93 - 1.34
Payroll to Total Expenses	14	47.0%	39.3 - 49.0%
Benefits to Total Expenses	10	7.5%	6.9 - 8.4%
Payroll per Hour of Operation	14	$47.81	$39.72 - 83.28
Space Productivity			
Total Store Area:			
Average Square Footage	14	14,500	12,288 - 17,841
Weekly Sales per Square Foot	14	$4.46	$4.13 - 4.88
Weekly Gross Margin per Square Foot	14	$0.99	$0.84 - 1.16
Weekly Profit Before Tax per Sq Ft	14	$0.05	$0.00 - 0.15
Selling Area:			
Average Square Footage	14	11,800	9,325 - 13,975
Weekly Sales per Square Foot	14	$6.25	$5.09 - 6.79
Weekly Gross Margin per Square Foot	14	$1.33	$0.97 - 1.58
Weekly Profit Before Tax per Sq Ft	14	$0.06	$0.01 - 0.20
Average Weekly Sales per Store	14	$59,137	$46,512 - 101,757
Number of Checkouts	14	4	4 - 6
Weekly Sales per Checkout	14	$14,012	$11,793 - 17,554
Weekly Transactions per Checkout	12	1,253	1,103 - 1,440
Selling Square Footage per Checkout	14	2,563	1,906 - 2,975
Occupancy Cost (incl utilities) per Sq Ft	14	$7.31	$5.39 - 9.10
Occupancy Cost (incl util) to Total Expense	14	17.1%	14.0 - 19.0%
Transactions per Square Foot of Selling Area	12	0.51	0.45 - 0.59
Transactions per 1000 Selling Sq Ft per Hour	12	4.46	3.96 - 6.36
Percentage of Selling Area to Total Area	14	76.2%	72.1 - 81.7%
Inventory Dollars per Sq Ft of Selling Area	14	$14.98	$12.11 - 17.60

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOUNTAIN REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	13	19.3%	17.8 - 20.0%
Meat	13	20.0%	18.5 - 22.9%
Produce	13	30.5%	28.8 - 31.7%
General Merchandise/HaBA	7	25.7%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	4	39.3%	
Scratch/Bake-Off Bakery	7	48.8%	
Frozen Food	2	INSUFFICIENT DATA	
Dairy	3	15.3%	
Other	6	30.0%	
Total Gross Margin	13	20.8%	19.9 - 22.4%
Annual Inventory Turnover:			
Grocery	13	15.5X	13.1 - 17.2X
Meat	13	29.6X	26.8 - 47.9X
Produce	13	55.2X	46.0 - 68.7X
General Merchandise/HaBA	7	5.1X	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	4	27.1X	
Scratch/Bake-Off Bakery	7	16.4X	
Frozen Food	2	INSUFFICIENT DATA	
Dairy	3	49.4X	
Other	4	8.5X	
Total Inventory Turnover	14	15.1X	14.0 - 18.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	366.0%	328.9 - 419.1%
Meat	14	948.9%	667.5 - 1,443.0%
Produce	14	2,389.4%	1,913.0 - 3,362.2%
General Merchandise/HaBA	8	190.3%	171.4 - 224.2%
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	4	2,004.4%	
Scratch/Bake-Off Bakery	8	1,633.3%	1,361.0 - 2,150.0%
Frozen Food	3	423.4%	
Dairy	4	867.2%	
Other	4	225.7%	
Total GMROI	14	485.9%	369.2 - 524.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOUNTAIN REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	13	75.7%	73.5 - 76.9%
Meat	13	16.6%	15.2 - 18.3%
Produce	13	7.7%	6.0 - 9.4%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	13	20.5%	18.8 - 21.8%
Meat	13	20.3%	18.7 - 23.7%
Produce	13	30.5%	28.8 - 31.7%
Total Gross Margin	13	20.8%	19.9 - 22.4%
Annual Inventory Turnover:			
Grocery	13	13.1X	12.2 - 15.8X
Meat	13	29.6X	26.8 - 47.9X
Produce	13	55.2X	46.0 - 68.7X
Total Inventory Turnover	14	15.1X	14.0 - 18.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	360.8%	316.1 - 431.4%
Meat	14	1,006.9%	667.5 - 1,449.2%
Produce	14	2,389.4%	1,913.0 - 3,362.2%
Total GMROI	14	485.9%	369.2 - 524.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - PACIFIC NORTHWEST

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	26	5.7%	0.3 - 8.8%
Average Transaction Size	29	$11.76	$8.14 - 14.22
Store Sales per Hour of Operation	33	$933	$549 - 1,337
Distribution of Sales:			
Grocery	30	61.7%	44.3 - 76.0%
Meat	30	14.1%	12.4 - 15.3%
Produce	30	9.0%	7.3 - 9.9%
General Merchandise/HaBA	30	3.1%	0.0 - 6.2%
Beer/Wine	30	2.1%	0.0 - 4.5%
Service Deli	30	2.8%	0.0 - 4.8%
Scratch/ Bake-Off Bakery	30	1.2%	0.0 - 2.0%
Frozen Food	30	2.4%	0.0 - 3.3%
Dairy	30	1.3%	0.0 - 0.0%
Other	30	2.5%	0.0 - 3.2%
Total	30	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	30	74.1%	70.4 - 77.3%
Meat	30	16.9%	14.5 - 18.8%
Produce	30	9.0%	7.3 - 9.9%
Total Sales	30	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	30	23.3%	21.5 - 24.3%
Meat	30	24.3%	21.9 - 26.6%
Produce	30	28.9%	25.1 - 31.4%
Total Gross Margin	30	24.1%	22.1 - 25.3%
Operating Expenses:			
Store Labor:			
Regular	30	10.2%	8.3 - 11.1%
Benefits	30	1.8%	0.7 - 2.6%
Total Store Labor Expense	30	11.7%	9.6 - 13.6%
Advertising & Promotion	30	1.2%	0.9 - 1.5%
Occupancy (Excluding Utilities)	30	2.0%	1.6 - 2.7%
Utilities	30	1.2%	0.9 - 1.6%
Maintenance	30	0.6%	0.4 - 0.8%
Store Supplies	30	1.1%	0.8 - 1.3%
Interest	30	0.2%	0.1 - 0.6%
Other	30	3.3%	1.8 - 6.1%
Total Operating Expenses	30	23.7%	20.3 - 25.5%
Profit Before Tax	30	1.1%	-0.6 - 1.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - PACIFIC NORTHWEST

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	22	$91.58	$75.32 - 101.81
Gross Margin per Labor Hour	20	$20.97	$16.91 - 24.15
Profit Before Tax per Labor Hour	19	$0.64	-$0.81 - 1.42
Sales per Labor Dollar	30	$9.81	$9.00 - 12.03
Gross Margin per Labor Dollar	30	$2.30	$2.05 - 2.77
Transactions per Labor Hour	22	6.7	5.7 - 9.1
Payroll per Labor Hour	20	$7.58	$6.37 - 9.71
Benefits per Labor Hour	18	$1.69	$0.91 - 2.63
Payroll to Total Expenses	30	45.4%	37.8 - 52.9%
Benefits to Total Expenses	28	8.9%	4.6 - 10.8%
Payroll per Hour of Operation	30	$85.25	$46.93 - 131.91
Space Productivity			
Total Store Area:			
Average Square Footage	33	17,500	12,000 - 22,000
Weekly Sales per Square Foot	33	$5.74	$4.24 - 7.30
Weekly Gross Margin per Square Foot	30	$1.41	$1.02 - 1.84
Weekly Profit Before Tax per Sq Ft	29	$0.07	-$0.04 - 0.13
Selling Area:			
Average Square Footage	33	13,000	9,600 - 16,000
Weekly Sales per Square Foot	33	$7.66	$5.42 - 9.57
Weekly Gross Margin per Square Foot	30	$1.79	$1.34 - 2.40
Weekly Profit Before Tax per Sq Ft	29	$0.09	-$0.05 - 0.19
Average Weekly Sales per Store	33	$104,705	$65,082 - 124,454
Number of Checkouts	28	6	5 - 7
Weekly Sales per Checkout	28	$18,834	$15,227 - 24,184
Weekly Transactions per Checkout	28	1,640	1,373 - 2,147
Selling Square Footage per Checkout	28	2,388	2,000 - 2,808
Occupancy Cost (incl utilities) per Sq Ft	30	$10.95	$7.38 - 13.70
Occupancy Cost (incl util) to Total Expense	30	15.4%	11.8 - 19.8%
Transactions per Square Foot of Selling Area	29	0.70	0.61 - 0.88
Transactions per 1000 Selling Sq Ft per Hour	29	7.25	5.19 - 8.18
Percentage of Selling Area to Total Area	33	79.2%	72.6 - 82.9%
Inventory Dollars per Sq Ft of Selling Area	30	$19.81	$16.98 - 23.55

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - PACIFIC NORTHWEST

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	30	23.0%	21.1 - 24.4%
Meat	30	22.1%	18.3 - 24.7%
Produce	30	28.9%	25.1 - 31.4%
General Merchandise/HaBA	12	27.5%	26.2 - 28.8%
Beer/Wine	9	23.5%	20.5 - 25.4%
Service Deli	21	40.8%	30.1 - 45.0%
Scratch/Bake-Off Bakery	11	40.7%	31.9 - 46.3%
Frozen Food	6	24.9%	
Dairy	4	18.4%	
Other	13	30.0%	23.2 - 30.9%
Total Gross Margin	30	24.1%	22.1 - 25.3%
Annual Inventory Turnover:			
Grocery	30	12.9X	10.2 - 16.8X
Meat	30	37.6X	34.1 - 46.1X
Produce	30	51.3X	43.0 - 64.1X
General Merchandise/HaBA	10	5.0X	3.8 - 7.4X
Beer/Wine	9	8.5X	6.8 - 10.4X
Service Deli	20	20.2X	13.4 - 27.4X
Scratch/Bake-Off Bakery	11	18.3X	15.5 - 30.9X
Frozen Food	6	19.1X	
Dairy	4	65.5X	
Other	13	18.8X	5.1 - 25.7X
Total Inventory Turnover	30	15.0X	13.1 - 18.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	30	364.0%	299.9 - 473.6%
Meat	30	1,024.0%	844.4 - 1,323.7%
Produce	30	2,111.6%	1,679.8 - 2,649.1%
General Merchandise/HaBA	10	216.8%	177.2 - 287.7%
Beer/Wine	9	283.1%	188.9 - 317.5%
Service Deli	20	1,285.1%	661.1 - 1,672.6%
Scratch/Bake-Off Bakery	11	1,317.6%	830.0 - 2,120.2%
Frozen Food	6	683.4%	
Dairy	4	1,023.4%	
Other	13	460.9%	170.8 - 961.4%
Total GMROI	30	479.1%	407.9 - 575.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - PACIFIC NORTHWEST

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	30	74.1%	70.4 - 77.3%
Meat	30	16.9%	14.5 - 18.8%
Produce	30	9.0%	7.3 - 9.9%
Total Sales	30	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	30	23.3%	21.5 - 24.3%
Meat	30	24.3%	21.9 - 26.6%
Produce	30	28.9%	25.1 - 31.4%
Total Gross Margin	30	24.1%	22.1 - 25.3%
Annual Inventory Turnover:			
Grocery	30	12.9X	10.8 - 15.8X
Meat	30	34.0X	30.8 - 39.6X
Produce	30	51.3X	43.0 - 64.1X
Total Inventory Turnover	30	15.0X	13.1 - 18.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	30	362.8%	312.3 - 456.1%
Meat	30	1,052.3%	924.6 - 1,327.9%
Produce	30	2,111.6%	1,679.8 - 2,649.1%
Total GMROI	30	479.1%	407.9 - 575.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	45	1.3%	-1.1 - 7.7%
Average Transaction Size	48	$10.03	$8.38 - 11.17
Store Sales per Hour of Operation	54	$561	$455 - 732
Distribution of Sales:			
Grocery	48	62.5%	54.1 - 74.8%
Meat	48	18.0%	13.7 - 20.6%
Produce	48	7.9%	5.5 - 7.9%
General Merchandise/HaBA	48	1.9%	0.0 - 3.5%
Beer/Wine	48	0.4%	0.0 - 0.0%
Service Deli	48	1.7%	0.0 - 3.3%
Scratch/ Bake-Off Bakery	48	0.6%	0.0 - 0.2%
Frozen Food	48	1.5%	0.0 - 4.0%
Dairy	48	3.1%	0.0 - 7.2%
Other	48	2.5%	0.0 - 1.8%
Total	48	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	48	72.3%	70.9 - 77.0%
Meat	48	19.8%	15.6 - 22.5%
Produce	48	7.9%	5.5 - 7.9%
Total Sales	48	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	48	20.1%	18.1 - 21.5%
Meat	48	22.1%	19.0 - 24.3%
Produce	46	27.8%	26.0 - 30.8%
Total Gross Margin	47	20.8%	19.7 - 22.3%
Operating Expenses:			
Store Labor:			
Regular	49	8.5%	7.9 - 10.4%
Benefits	49	1.2%	0.5 - 1.9%
Total Store Labor Expense	49	9.7%	8.7 - 11.4%
Advertising & Promotion	49	1.3%	1.0 - 1.7%
Occupancy (Excluding Utilities)	49	1.3%	1.0 - 1.9%
Utilities	49	1.4%	1.2 - 1.8%
Maintenance	49	0.6%	0.4 - 0.7%
Store Supplies	49	1.0%	0.8 - 1.2%
Interest	49	0.3%	0.0 - 0.9%
Other	49	2.6%	0.4 - 3.9%
Total Operating Expenses	49	19.4%	18.0 - 20.9%
Profit Before Tax	49	1.6%	0.3 - 3.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	45	$70.10	$61.33 - 83.64
Gross Margin per Labor Hour	39	$14.18	$12.50 - 17.02
Profit Before Tax per Labor Hour	39	$0.87	$0.09 - 1.97
Sales per Labor Dollar	49	$11.75	$9.59 - 12.71
Gross Margin per Labor Dollar	49	$2.31	$2.02 - 2.76
Transactions per Labor Hour	41	7.2	5.8 - 9.1
Payroll per Labor Hour	39	$6.09	$5.24 - 7.40
Benefits per Labor Hour	35	$0.86	$0.60 - 1.17
Payroll to Total Expenses	49	47.0%	41.8 - 55.4%
Benefits to Total Expenses	44	6.7%	3.8 - 9.3%
Payroll per Hour of Operation	47	$48.01	$39.09 - 67.38
Space Productivity			
Total Store Area:			
Average Square Footage	56	12,275	10,000 - 15,000
Weekly Sales per Square Foot	56	$4.29	$3.62 - 5.08
Weekly Gross Margin per Square Foot	49	$0.89	$0.73 - 1.12
Weekly Profit Before Tax per Sq Ft	49	$0.07	$0.01 - 0.13
Selling Area:			
Average Square Footage	56	9,530	8,000 - 12,000
Weekly Sales per Square Foot	56	$5.38	$4.27 - 6.95
Weekly Gross Margin per Square Foot	49	$1.16	$0.97 - 1.43
Weekly Profit Before Tax per Sq Ft	49	$0.09	$0.02 - 0.18
Average Weekly Sales per Store	56	$53,055	$43,990 - 61,619
Number of Checkouts	52	4	4 - 5
Weekly Sales per Checkout	52	$13,083	$11,340 - 14,804
Weekly Transactions per Checkout	47	1,363	1,092 - 1,615
Selling Square Footage per Checkout	52	2,354	1,980 - 2,798
Occupancy Cost (incl utilities) per Sq Ft	49	$6.42	$4.97 - 7.67
Occupancy Cost (incl util) to Total Expense	49	14.6%	12.0 - 20.1%
Transactions per Square Foot of Selling Area	48	0.55	0.46 - 0.73
Transactions per 1000 Selling Sq Ft per Hour	47	6.12	4.10 - 8.00
Percentage of Selling Area to Total Area	56	79.9%	71.3 - 83.3%
Inventory Dollars per Sq Ft of Selling Area	46	$17.46	$13.75 - 20.31

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	46	19.7%	17.6 - 21.5%
Meat	46	19.7%	18.2 - 23.8%
Produce	46	27.8%	26.0 - 30.8%
General Merchandise/HaBA	17	25.3%	22.6 - 31.3%
Beer/Wine	5	23.0%	
Service Deli	17	41.4%	34.1 - 44.6%
Scratch/Bake-Off Bakery	11	37.1%	33.9 - 44.5%
Frozen Food	12	24.0%	21.2 - 27.8%
Dairy	14	18.0%	15.3 - 21.9%
Other	15	20.0%	13.2 - 28.4%
Total Gross Margin	47	20.8%	19.7 - 22.3%
Annual Inventory Turnover:			
Grocery	44	11.1X	9.1 - 13.3X
Meat	42	34.4X	28.4 - 48.0X
Produce	44	47.1X	38.1 - 60.1X
General Merchandise/HaBA	15	4.6X	3.1 - 6.1X
Beer/Wine	5	13.7X	
Service Deli	16	26.1X	17.8 - 40.5X
Scratch/Bake-Off Bakery	11	21.5X	16.1 - 25.2X
Frozen Food	10	18.4X	13.4 - 23.9X
Dairy	12	34.6X	24.6 - 40.0X
Other	10	9.3X	4.6 - 18.8X
Total Inventory Turnover	46	14.1X	12.0 - 15.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	45	263.1%	212.2 - 338.5%
Meat	43	893.0%	715.5 - 1,244.2%
Produce	45	1,893.1%	1,233.3 - 2,725.1%
General Merchandise/HaBA	16	177.0%	133.7 - 224.7%
Beer/Wine	5	320.0%	
Service Deli	16	1,827.0%	1,357.1 - 2,479.1%
Scratch/Bake-Off Bakery	12	1,007.7%	782.3 - 1,565.4%
Frozen Food	11	635.9%	375.8 - 815.4%
Dairy	13	698.3%	597.9 - 985.8%
Other	10	266.2%	170.7 - 419.7%
Total GMROI	46	357.0%	310.4 - 440.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	48	72.3%	70.9 - 77.0%
Meat	48	19.8%	15.6 - 22.5%
Produce	48	7.9%	5.5 - 7.9%
Total Sales	48	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	48	20.1%	18.1 - 21.5%
Meat	48	22.1%	19.0 - 24.3%
Produce	46	27.8%	26.0 - 30.8%
Total Gross Margin	47	20.8%	19.7 - 22.3%
Annual Inventory Turnover:			
Grocery	44	11.2X	9.2 - 13.1X
Meat	42	32.7X	27.2 - 47.6X
Produce	44	47.1X	38.1 - 60.1X
Total Inventory Turnover	46	14.1X	12.0 - 15.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	45	269.7%	220.4 - 336.7%
Meat	43	1,032.5%	728.4 - 1,396.3%
Produce	45	1,893.1%	1,233.3 - 2,725.1%
Total GMROI	46	357.0%	310.4 - 440.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $90,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	40	3.1%	-1.9 - 7.8%
Average Transaction Size	34	$12.45	$10.20 - 13.54
Store Sales per Hour of Operation	42	$875	$792 - 976
Distribution of Sales:			
Grocery	39	57.9%	51.2 - 66.1%
Meat	39	16.7%	14.1 - 18.7%
Produce	39	7.3%	5.9 - 8.1%
General Merchandise/HaBA	39	2.6%	0.0 - 4.1%
Beer/Wine	39	0.7%	0.0 - 0.0%
Service Deli	39	3.3%	0.0 - 5.7%
Scratch/ Bake-Off Bakery	39	1.0%	0.0 - 2.1%
Frozen Food	39	3.6%	0.0 - 6.2%
Dairy	39	5.5%	0.0 - 9.4%
Other	39	1.6%	0.0 - 2.7%
Total	39	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	39	72.7%	69.6 - 76.3%
Meat	39	20.0%	16.7 - 22.9%
Produce	39	7.3%	5.9 - 8.1%
Total Sales	39	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	39	20.2%	18.9 - 22.1%
Meat	39	22.6%	19.4 - 27.5%
Produce	37	29.2%	26.5 - 31.3%
Total Gross Margin	37	21.5%	20.3 - 23.1%
Operating Expenses:			
Store Labor:			
Regular	37	8.0%	7.1 - 9.5%
Benefits	37	1.1%	0.5 - 1.7%
Total Store Labor Expense	37	8.8%	7.9 - 11.0%
Advertising & Promotion	37	1.3%	0.9 - 1.7%
Occupancy (Excluding Utilities)	37	1.4%	1.1 - 2.0%
Utilities	37	1.4%	1.3 - 1.6%
Maintenance	37	0.5%	0.4 - 0.7%
Store Supplies	37	1.1%	0.9 - 1.2%
Interest	37	0.3%	0.1 - 0.6%
Other	37	3.1%	1.5 - 4.8%
Total Operating Expenses	37	19.5%	17.3 - 21.3%
Profit Before Tax	37	2.2%	0.2 - 3.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $90,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	35	$79.60	$67.87 - 84.58
Gross Margin per Labor Hour	31	$17.46	$13.69 - 18.99
Profit Before Tax per Labor Hour	29	$1.78	$0.64 - 2.57
Sales per Labor Dollar	37	$12.47	$10.51 - 14.02
Gross Margin per Labor Dollar	35	$2.67	$2.25 - 2.80
Transactions per Labor Hour	29	6.8	5.5 - 7.9
Payroll per Labor Hour	30	$5.95	$5.31 - 7.10
Benefits per Labor Hour	27	$0.95	$0.51 - 1.49
Payroll to Total Expenses	37	43.0%	38.7 - 51.5%
Benefits to Total Expenses	31	6.9%	4.1 - 9.8%
Payroll per Hour of Operation	37	$74.05	$54.96 - 85.03
Space Productivity			
Total Store Area:			
Average Square Footage	42	14,850	12,625 - 18,391
Weekly Sales per Square Foot	42	$5.45	$4.26 - 6.22
Weekly Gross Margin per Square Foot	37	$1.12	$0.88 - 1.39
Weekly Profit Before Tax per Sq Ft	35	$0.10	$0.06 - 0.20
Selling Area:			
Average Square Footage	42	11,488	10,000 - 14,300
Weekly Sales per Square Foot	42	$6.93	$5.50 - 8.25
Weekly Gross Margin per Square Foot	37	$1.47	$1.15 - 1.83
Weekly Profit Before Tax per Sq Ft	35	$0.14	$0.07 - 0.26
Average Weekly Sales per Store	42	$80,325	$75,098 - 84,543
Number of Checkouts	39	5	5 - 6
Weekly Sales per Checkout	39	$15,110	$14,309 - 17,437
Weekly Transactions per Checkout	32	1,322	1,130 - 1,599
Selling Square Footage per Checkout	39	2,295	1,958 - 2,950
Occupancy Cost (incl utilities) per Sq Ft	37	$7.85	$5.94 - 9.81
Occupancy Cost (incl util) to Total Expense	37	15.1%	12.3 - 18.3%
Transactions per Square Foot of Selling Area	34	0.53	0.50 - 0.69
Transactions per 1000 Selling Sq Ft per Hour	34	6.22	4.98 - 7.76
Percentage of Selling Area to Total Area	42	77.2%	68.8 - 81.9%
Inventory Dollars per Sq Ft of Selling Area	37	$17.53	$13.50 - 19.63

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $90,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	37	19.9%	18.4 - 22.0%
Meat	37	22.0%	19.1 - 23.8%
Produce	37	29.2%	26.5 - 31.3%
General Merchandise/HaBA	21	25.3%	18.2 - 28.0%
Beer/Wine	8	24.1%	19.2 - 28.9%
Service Deli	25	37.0%	27.9 - 41.0%
Scratch/Bake-Off Bakery	15	49.0%	45.2 - 53.8%
Frozen Food	19	25.3%	23.0 - 28.0%
Dairy	19	19.0%	17.7 - 21.5%
Other	16	17.4%	14.0 - 22.2%
Total Gross Margin	37	21.5%	20.3 - 23.1%
Annual Inventory Turnover:			
Grocery	34	13.6X	11.3 - 15.2X
Meat	34	39.8X	34.2 - 49.4X
Produce	34	56.5X	42.3 - 68.5X
General Merchandise/HaBA	19	5.5X	4.0 - 7.0X
Beer/Wine	7	8.4X	
Service Deli	22	27.5X	20.7 - 31.3X
Scratch/Bake-Off Bakery	13	19.5X	13.5 - 29.4X
Frozen Food	17	14.9X	13.4 - 16.9X
Dairy	17	34.9X	30.7 - 41.6X
Other	13	8.3X	5.0 - 99.5X
Total Inventory Turnover	35	16.6X	14.6 - 18.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	34	343.4%	290.0 - 396.5%
Meat	34	1,202.1%	976.2 - 1,566.3%
Produce	34	2,236.7%	1,790.8 - 3,000.8%
General Merchandise/HaBA	19	178.1%	107.3 - 248.5%
Beer/Wine	7	321.7%	
Service Deli	22	1,651.2%	1,070.8 - 2,047.8%
Scratch/Bake-Off Bakery	13	2,131.9%	1,101.9 - 2,801.7%
Frozen Food	17	508.8%	441.9 - 598.2%
Dairy	17	827.7%	710.0 - 1,080.0%
Other	13	243.1%	109.3 - 1,629.1%
Total GMROI	35	478.4%	401.8 - 537.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $90,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	39	72.7%	69.6 - 76.[illegible]%
Meat	39	20.0%	16.7 - 22.[illegible]
Produce	39	7.3%	5.9 - 8.1[illegible]
Total Sales	39	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	39	20.2%	18.9 - 22.1%
Meat	39	22.6%	19.4 - 27.5%
Produce	37	29.2%	26.5 - 31.3%
Total Gross Margin	37	21.5%	20.3 - 23.1%
Annual Inventory Turnover:			
Grocery	35	14.0X	11.9 - 16.3X
Meat	35	37.0X	31.2 - 47.5X
Produce	34	56.5X	42.3 - 68.5X
Total Inventory Turnover	35	16.6X	14.6 - 18.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	35	354.6%	294.4 - 418.0%
Meat	35	1,242.8%	890.1 - 1,668.5%
Produce	34	2,236.7%	1,790.8 - 3,000.8%
Total GMROI	35	478.4%	401.8 - 537.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $90,000 TO $125,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	47	6.4%	0.3 - 11.6%
Average Transaction Size	46	$13.78	$12.16 - 15.42
Store Sales per Hour of Operation	49	$1,165	$879 - 1,277
Distribution of Sales:			
Grocery	47	55.5%	46.5 - 66.0%
Meat	47	15.7%	13.6 - 17.6%
Produce	47	7.7%	6.1 - 8.0%
General Merchandise/HaBA	47	3.4%	0.0 - 5.6%
Beer/Wine	47	1.0%	0.0 - 1.8%
Service Deli	47	3.1%	0.1 - 4.8%
Scratch/ Bake-Off Bakery	47	2.3%	0.0 - 3.2%
Frozen Food	47	4.6%	0.0 - 6.6%
Dairy	47	5.3%	0.0 - 9.4%
Other	47	1.5%	0.0 - 1.7%
Total	47	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	47	73.5%	72.0 - 76.4%
Meat	47	18.8%	16.2 - 20.9%
Produce	47	7.7%	6.1 - 8.0%
Total Sales	47	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	47	20.0%	17.3 - 22.9%
Meat	47	22.6%	19.7 - 24.8%
Produce	43	30.5%	27.1 - 32.1%
Total Gross Margin	43	21.6%	19.6 - 24.2%
Operating Expenses:			
Store Labor:			
Regular	42	8.7%	7.8 - 10.1%
Benefits	42	1.7%	1.2 - 2.3%
Total Store Labor Expense	42	10.4%	9.0 - 11.7%
Advertising & Promotion	42	1.1%	0.8 - 1.8%
Occupancy (Excluding Utilities)	42	1.5%	1.1 - 2.5%
Utilities	42	1.2%	1.1 - 1.4%
Maintenance	42	0.5%	0.4 - 0.8%
Store Supplies	42	1.0%	0.8 - 1.3%
Interest	42	0.2%	0.0 - 0.6%
Other	42	3.2%	2.1 - 4.6%
Total Operating Expenses	42	20.6%	17.9 - 23.6%
Profit Before Tax	42	1.0%	-0.2 - 1.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $90,000 TO $125,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	40	$73.84	$66.87 - 90.48
Gross Margin per Labor Hour	37	$16.10	$13.41 - 19.46
Profit Before Tax per Labor Hour	35	$0.76	-$0.10 - 1.84
Sales per Labor Dollar	42	$11.50	$9.92 - 12.79
Gross Margin per Labor Dollar	42	$2.39	$2.19 - 2.80
Transactions per Labor Hour	39	5.3	4.9 - 6.6
Payroll per Labor Hour	36	$6.45	$5.33 - 7.90
Benefits per Labor Hour	34	$1.30	$0.82 - 2.02
Payroll to Total Expenses	42	44.3%	39.0 - 47.2%
Benefits to Total Expenses	40	8.5%	6.6 - 10.4%
Payroll per Hour of Operation	42	$92.44	$71.12 - 107.51
Space Productivity			
Total Store Area:			
Average Square Footage	50	20,000	16,000 - 22,500
Weekly Sales per Square Foot	50	$5.52	$4.57 - 6.52
Weekly Gross Margin per Square Foot	43	$1.09	$0.94 - 1.48
Weekly Profit Before Tax per Sq Ft	41	$0.06	-$0.01 - 0.13
Selling Area:			
Average Square Footage	50	15,000	11,000 - 17,375
Weekly Sales per Square Foot	50	$7.12	$6.22 - 10.07
Weekly Gross Margin per Square Foot	43	$1.45	$1.30 - 2.11
Weekly Profit Before Tax per Sq Ft	41	$0.07	-$0.02 - 0.18
Average Weekly Sales per Store	50	$107,303	$96,154 - 114,410
Number of Checkouts	49	6	5 - 7
Weekly Sales per Checkout	49	$17,882	$15,536 - 19,568
Weekly Transactions per Checkout	46	1,277	1,090 - 1,541
Selling Square Footage per Checkout	49	2,333	1,867 - 2,843
Occupancy Cost (incl utilities) per Sq Ft	42	$8.37	$6.14 - 10.39
Occupancy Cost (incl util) to Total Expense	42	15.1%	10.8 - 18.5%
Transactions per Square Foot of Selling Area	46	0.55	0.41 - 0.81
Transactions per 1000 Selling Sq Ft per Hour	46	5.66	4.19 - 6.95
Percentage of Selling Area to Total Area	50	75.0%	68.1 - 81.0%
Inventory Dollars per Sq Ft of Selling Area	42	$19.19	$15.70 - 22.94

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $90,000 TO $125,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	43	19.4%	17.1 - 22.4%
Meat	43	20.7%	19.3 - 22.4%
Produce	43	30.5%	27.1 - 32.1%
General Merchandise/HaBA	24	25.3%	23.3 - 28.1%
Beer/Wine	11	20.8%	19.8 - 22.3%
Service Deli	32	36.6%	34.9 - 42.6%
Scratch/Bake-Off Bakery	26	42.8%	29.2 - 53.4%
Frozen Food	24	23.8%	21.3 - 25.8%
Dairy	24	18.3%	15.5 - 20.0%
Other	17	20.7%	15.2 - 25.0%
Total Gross Margin	43	21.6%	19.6 - 24.2%
Annual Inventory Turnover:			
Grocery	40	14.4X	11.3 - 17.0X
Meat	40	45.0X	36.8 - 51.9X
Produce	40	56.4X	46.0 - 66.1X
General Merchandise/HaBA	21	4.8X	3.8 - 5.9X
Beer/Wine	9	9.6X	7.2 - 13.7X
Service Deli	29	25.0X	15.6 - 29.8X
Scratch/Bake-Off Bakery	22	17.9X	14.7 - 27.0X
Frozen Food	22	17.2X	13.2 - 20.0X
Dairy	22	44.0X	28.7 - 51.3X
Other	15	18.8X	4.4 - 26.8X
Total Inventory Turnover	41	16.1X	12.8 - 19.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	40	333.2%	273.8 - 442.5%
Meat	40	1,068.4%	890.8 - 1,441.0%
Produce	40	2,452.7%	1,911.5 - 3,009.5%
General Merchandise/HaBA	21	173.7%	118.2 - 245.5%
Beer/Wine	9	359.1%	188.9 - 389.8%
Service Deli	29	1,531.4%	817.1 - 1,925.5%
Scratch/Bake-Off Bakery	22	1,543.5%	1,124.6 - 2,054.1%
Frozen Food	22	582.1%	400.0 - 644.3%
Dairy	22	856.7%	588.0 - 1,247.5%
Other	15	342.3%	166.4 - 615.9%
Total GMROI	41	452.7%	341.2 - 543.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $90,000 TO $125,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	47	73.5%	72.0 - 76.4%
Meat	47	18.8%	16.2 - 20.9%
Produce	47	7.7%	6.1 - 8.0%
Total Sales	47	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	47	20.0%	17.3 - 22.9%
Meat	47	22.6%	19.7 - 24.8%
Produce	43	30.5%	27.1 - 32.1%
Total Gross Margin	43	21.6%	19.6 - 24.2%
Annual Inventory Turnover:			
Grocery	41	13.5X	10.6 - 17.0X
Meat	41	39.4X	33.3 - 45.9X
Produce	40	56.4X	46.0 - 66.1X
Total Inventory Turnover	41	16.1X	12.8 - 19.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	41	328.5%	282.8 - 421.1%
Meat	41	1,141.9%	927.5 - 1,407.1%
Produce	40	2,452.7%	1,911.5 - 3,009.5%
Total GMROI	41	452.7%	341.2 - 543.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	49	5.6%	1.8 - 11.2%
Average Transaction Size	49	$16.92	$12.54 - 18.59
Store Sales per Hour of Operation	51	$1,673	$1,395 - 2,127
Distribution of Sales:			
Grocery	45	54.5%	46.3 - 66.4%
Meat	45	15.3%	13.4 - 17.1%
Produce	45	8.6%	6.7 - 9.8%
General Merchandise/HaBA	45	2.7%	0.0 - 4.9%
Beer/Wine	45	1.8%	0.0 - 2.5%
Service Deli	45	4.0%	2.3 - 5.8%
Scratch/ Bake-Off Bakery	45	2.0%	1.3 - 2.5%
Frozen Food	45	4.2%	0.0 - 7.1%
Dairy	45	5.1%	0.0 - 9.0%
Other	45	2.0%	0.0 - 1.6%
Total	45	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	45	72.2%	70.0 - 75.3%
Meat	45	19.3%	17.6 - 21.2%
Produce	45	8.6%	6.7 - 9.8%
Total Sales	45	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	45	20.2%	19.0 - 23.1%
Meat	45	25.5%	23.5 - 27.7%
Produce	45	30.9%	29.5 - 32.8%
Total Gross Margin	45	22.9%	20.8 - 24.2%
Operating Expenses:			
Store Labor:			
Regular	47	8.7%	8.0 - 10.3%
Benefits	47	1.3%	0.8 - 2.0%
Total Store Labor Expense	47	10.2%	8.9 - 12.0%
Advertising & Promotion	47	1.3%	0.9 - 1.7%
Occupancy (Excluding Utilities)	47	1.5%	1.2 - 2.2%
Utilities	47	1.0%	0.8 - 1.2%
Maintenance	47	0.6%	0.4 - 0.8%
Store Supplies	47	1.3%	1.0 - 1.4%
Interest	47	0.2%	0.0 - 0.3%
Other	47	2.7%	1.2 - 4.9%
Total Operating Expenses	47	20.6%	18.0 - 22.3%
Profit Before Tax	47	2.2%	0.6 - 3.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	47	$82.23	$72.56 - 95.55
Gross Margin per Labor Hour	44	$18.03	$15.01 - 21.71
Profit Before Tax per Labor Hour	44	$1.44	$0.60 - 3.11
Sales per Labor Dollar	47	$11.55	$9.67 - 12.55
Gross Margin per Labor Dollar	47	$2.46	$2.24 - 2.83
Transactions per Labor Hour	45	5.3	4.2 - 6.5
Payroll per Labor Hour	44	$7.15	$5.75 - 8.75
Benefits per Labor Hour	40	$1.15	$0.82 - 1.60
Payroll to Total Expenses	47	45.7%	41.9 - 50.5%
Benefits to Total Expenses	41	7.3%	5.3 - 10.2%
Payroll per Hour of Operation	47	$156.11	$119.61 - 185.89
Space Productivity			
Total Store Area:			
Average Square Footage	51	24,000	20,200 - 27,444
Weekly Sales per Square Foot	51	$7.46	$6.56 - 8.82
Weekly Gross Margin per Square Foot	47	$1.68	$1.46 - 1.99
Weekly Profit Before Tax per Sq Ft -	47	$0.15	$0.04 - 0.35
Selling Area:			
Average Square Footage	51	17,500	15,000 - 20,500
Weekly Sales per Square Foot	51	$9.71	$8.37 - 11.00
Weekly Gross Margin per Square Foot	47	$2.15	$1.76 - 2.50
Weekly Profit Before Tax per Sq Ft	47	$0.20	$0.06 - 0.41
Average Weekly Sales per Store	51	$164,769	$137,790 - 209,205
Number of Checkouts	50	7	7 - 8
Weekly Sales per Checkout	50	$23,460	$20,795 - 27,327
Weekly Transactions per Checkout	48	1,525	1,302 - 1,714
Selling Square Footage per Checkout	50	2,500	2,018 - 2,825
Occupancy Cost (incl utilities) per Sq Ft	47	$11.13	$7.82 - 12.77
Occupancy Cost (incl util) to Total Expense	47	12.5%	10.4 - 17.0%
Transactions per Square Foot of Selling Area	49	0.61	0.54 - 0.76
Transactions per 1000 Selling Sq Ft per Hour	49	6.44	5.51 - 8.12
Percentage of Selling Area to Total Area	51	78.4%	72.7 - 83.3%
Inventory Dollars per Sq Ft of Selling Area	46	$17.86	$16.35 - 22.79

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	45	19.1%	17.8 - 21.1%
Meat	45	22.5%	20.2 - 24.3%
Produce	45	30.9%	29.5 - 32.8%
General Merchandise/HaBA	22	27.3%	25.8 - 29.7%
Beer/Wine	14	23.0%	19.7 - 26.0%
Service Deli	37	40.6%	35.8 - 44.4%
Scratch/Bake-Off Bakery	35	43.0%	31.5 - 52.1%
Frozen Food	24	25.7%	23.0 - 27.1%
Dairy	22	19.9%	18.4 - 22.1%
Other	23	28.8%	19.2 - 39.9%
Total Gross Margin	45	22.9%	20.8 - 24.2%
Annual Inventory Turnover:			
Grocery	43	17.7X	13.7 - 21.0X
Meat	43	44.9X	37.7 - 56.5X
Produce	43	61.9X	43.8 - 74.3X
General Merchandise/HaBA	20	6.1X	4.6 - 7.8X
Beer/Wine	14	8.9X	7.2 - 12.5X
Service Deli	35	29.8X	22.4 - 35.5X
Scratch/Bake-Off Bakery	33	30.2X	15.6 - 59.1X
Frozen Food	23	21.3X	16.8 - 25.3X
Dairy	21	48.4X	34.5 - 63.0X
Other	20	13.5X	8.0 - 26.9X
Total Inventory Turnover	45	20.2X	16.9 - 23.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	44	390.3%	340.3 - 516.1%
Meat	44	1,344.3%	1,056.3 - 1,800.0%
Produce	44	2,684.8%	1,944.1 - 3,416.0%
General Merchandise/HaBA	21	258.1%	176.6 - 312.6%
Beer/Wine	15	328.5%	228.0 - 463.0%
Service Deli	35	1,869.3%	1,408.1 - 2,746.1%
Scratch/Bake-Off Bakery	34	2,391.1%	1,544.8 - 3,455.0%
Frozen Food	23	772.1%	645.8 - 893.3%
Dairy	21	1,148.2%	941.5 - 1,487.5%
Other	20	640.3%	190.7 - 1,042.8%
Total GMROI	45	579.9%	490.8 - 744.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	45	72.2%	70.0 - 75.3%
Meat	45	19.3%	17.6 - 21.2%
Produce	45	8.6%	6.7 - 9.8%
Total Sales	45	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	45	20.2%	19.0 - 23.1%
Meat	45	25.5%	23.5 - 27.7%
Produce	45	30.9%	29.5 - 32.8%
Total Gross Margin	45	22.9%	20.8 - 24.2%
Annual Inventory Turnover:			
Grocery	43	17.0X	13.7 - 20.5X
Meat	43	42.2X	32.8 - 48.7X
Produce	43	61.9X	43.8 - 74.3X
Total Inventory Turnover	45	20.2X	16.9 - 23.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	44	455.9%	359.0 - 568.7%
Meat	44	1,380.1%	1,112.6 - 1,869.2%
Produce	44	2,684.8%	1,944.1 - 3,416.0%
Total GMROI	45	579.9%	490.8 - 744.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	80	5.0%	0.3 - 9.4%
Average Transaction Size	77	$13.06	$10.18 - 15.25
Store Sales per Hour of Operation	86	$1,006	$725 - 1,426
Distribution of Sales:			
Grocery	86	59.7%	49.7 - 73.5%
Meat	86	16.0%	13.5 - 18.4%
Produce	86	7.6%	6.1 - 8.4%
General Merchandise/HaBA	86	2.6%	0.0 - 5.0%
Beer/Wine	86	0.9%	0.0 - 0.0%
Service Deli	86	3.0%	0.0 - 5.2%
Scratch/ Bake-Off Bakery	86	1.2%	0.0 - 2.3%
Frozen Food	86	3.0%	0.0 - 5.6%
Dairy	86	4.5%	0.0 - 9.3%
Other	86	1.5%	0.0 - 1.2%
Total	86	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	86	73.4%	70.3 - 76.6%
Meat	86	19.0%	15.9 - 21.1%
Produce	86	7.6%	6.1 - 8.4%
Total Sales	86	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	86	20.7%	19.1 - 22.8%
Meat	86	23.9%	21.0 - 26.9%
Produce	86	30.3%	27.7 - 32.1%
Total Gross Margin	86	21.7%	20.4 - 23.6%
Operating Expenses:			
Store Labor:			
Regular	88	8.2%	7.3 - 9.5%
Benefits	88	1.3%	0.6 - 1.9%
Total Store Labor Expense	88	9.4%	8.2 - 11.2%
Advertising & Promotion	88	1.3%	0.9 - 1.8%
Occupancy (Excluding Utilities)	88	1.4%	0.8 - 2.0%
Utilities	88	1.3%	1.0 - 1.5%
Maintenance	88	0.5%	0.4 - 0.7%
Store Supplies	88	1.0%	0.8 - 1.3%
Interest	88	0.2%	0.0 - 0.5%
Other	88	2.5%	0.3 - 3.7%
Total Operating Expenses	88	18.3%	16.0 - 20.2%
Profit Before Tax	88	3.2%	2.3 - 5.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	74	$81.09	$72.81 - 89.08
Gross Margin per Labor Hour	74	$17.31	$14.65 - 20.81
Profit Before Tax per Labor Hour	74	$2.44	$1.69 - 4.17
Sales per Labor Dollar	88	$12.13	$10.49 - 13.67
Gross Margin per Labor Dollar	88	$2.57	$2.34 - 2.92
Transactions per Labor Hour	69	6.6	5.2 - 7.5
Payroll per Labor Hour	74	$6.46	$5.69 - 7.89
Benefits per Labor Hour	66	$1.11	$0.72 - 1.56
Payroll to Total Expenses	88	46.3%	41.8 - 54.3%
Benefits to Total Expenses	76	8.0%	4.7 - 10.0%
Payroll per Hour of Operation	86	$82.24	$56.44 - 132.33
Space Productivity			
Total Store Area:			
Average Square Footage	88	16,650	12,375 - 22,500
Weekly Sales per Square Foot	88	$5.62	$4.43 - 7.43
Weekly Gross Margin per Square Foot	88	$1.17	$0.94 - 1.80
Weekly Profit Before Tax per Sq Ft	88	$0.18	$0.12 - 0.34
Selling Area:			
Average Square Footage	88	12,500	9,600 - 17,500
Weekly Sales per Square Foot	88	$7.12	$5.79 - 9.46
Weekly Gross Margin per Square Foot	88	$1.58	$1.22 - 2.16
Weekly Profit Before Tax per Sq Ft	88	$0.24	$0.16 - 0.42
Average Weekly Sales per Store	88	$87,726	$66,293 - 132,107
Number of Checkouts	82	6	5 - 7
Weekly Sales per Checkout	82	$16,870	$14,275 - 21,607
Weekly Transactions per Checkout	75	1,430	1,135 - 1,664
Selling Square Footage per Checkout	82	2,250	1,920 - 2,832
Occupancy Cost (incl utilities) per Sq Ft	88	$7.76	$5.22 - 10.54
Occupancy Cost (incl util) to Total Expense	88	14.1%	11.2 - 19.0%
Transactions per Square Foot of Selling Area	77	0.58	0.50 - 0.78
Transactions per 1000 Selling Sq Ft per Hour	76	6.17	4.99 - 8.47
Percentage of Selling Area to Total Area	88	77.3%	72.4 - 82.2%
Inventory Dollars per Sq Ft of Selling Area	86	$17.92	$15.70 - 20.75

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	86	19.9%	18.1 - 22.0%
Meat	86	22.0%	19.6 - 24.2%
Produce	86	30.3%	27.7 - 32.1%
General Merchandise/HaBA	38	25.8%	23.2 - 29.1%
Beer/Wine	17	20.5%	18.8 - 26.2%
Service Deli	56	37.8%	32.5 - 42.4%
Scratch/Bake-Off Bakery	38	44.0%	37.7 - 51.1%
Frozen Food	36	25.3%	22.4 - 27.4%
Dairy	36	19.9%	18.0 - 24.0%
Other	34	20.9%	16.3 - 24.5%
Total Gross Margin	86	21.7%	20.4 - 23.6%
Annual Inventory Turnover:			
Grocery	83	14.6X	10.4 - 17.8X
Meat	83	39.8X	34.8 - 56.7X
Produce	83	57.1X	42.7 - 68.3X
General Merchandise/HaBA	34	5.9X	4.4 - 7.7X
Beer/Wine	17	8.4X	6.3 - 11.5X
Service Deli	53	27.5X	20.8 - 36.0X
Scratch/Bake-Off Bakery	36	24.9X	16.0 - 41.5X
Frozen Food	34	17.2X	14.5 - 24.2X
Dairy	34	40.0X	31.6 - 50.4X
Other	27	11.9X	5.0 - 18.9X
Total Inventory Turnover	86	16.9X	13.5 - 21.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	85	357.2%	261.5 - 431.5%
Meat	85	1,263.4%	938.6 - 1,753.1%
Produce	85	2,303.8%	1,847.0 - 3,055.7%
General Merchandise/HaBA	36	193.5%	140.7 - 267.4%
Beer/Wine	18	314.7%	157.4 - 384.1%
Service Deli	53	1,821.3%	1,155.5 - 2,576.1%
Scratch/Bake-Off Bakery	38	2,416.2%	1,437.1 - 3,823.5%
Frozen Food	35	623.7%	458.5 - 789.7%
Dairy	35	1,025.1%	734.3 - 1,288.8%
Other	27	421.1%	108.5 - 653.3%
Total GMROI	86	483.7%	389.4 - 599.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	86	73.4%	70.3 - 76.6%
Meat	86	19.0%	15.9 - 21.1%
Produce	86	7.6%	6.1 - 8.4%
Total Sales	86	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	86	20.7%	19.1 - 22.8%
Meat	86	23.9%	21.0 - 26.9%
Produce	86	30.3%	27.7 - 32.1%
Total Gross Margin	86	21.7%	20.4 - 23.6%
Annual Inventory Turnover:			
Grocery	83	13.5X	10.7 - 17.7X
Meat	83	39.2X	32.4 - 52.7X
Produce	83	57.1X	42.7 - 68.3X
Total Inventory Turnover	86	16.9X	13.5 - 21.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	85	355.2%	284.4 - 467.1%
Meat	85	1,286.1%	1,012.3 - 1,793.7%
Produce	85	2,303.8%	1,847.0 - 3,055.7%
Total GMROI	86	483.7%	389.4 - 599.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	82	3.9%	-0.3 - 8.6%
Average Transaction Size	81	$12.54	$10.17 - 16.29
Store Sales per Hour of Operation	87	$869	$673 - 1,257
Distribution of Sales:			
Grocery	84	55.2%	47.2 - 66.1%
Meat	84	16.9%	13.6 - 18.7%
Produce	84	8.3%	6.0 - 8.9%
General Merchandise/HaBA	84	2.8%	0.0 - 4.4%
Beer/Wine	84	1.1%	0.0 - 1.9%
Service Deli	84	2.8%	0.0 - 5.0%
Scratch/ Bake-Off Bakery	84	1.5%	0.0 - 2.6%
Frozen Food	84	3.8%	0.0 - 6.3%
Dairy	84	5.2%	0.0 - 9.3%
Other	84	2.5%	0.0 - 3.8%
Total	84	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	84	72.0%	70.2 - 76.1%
Meat	84	19.6%	16.4 - 22.0%
Produce	84	8.3%	6.0 - 8.9%
Total Sales	84	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	84	20.1%	17.9 - 22.6%
Meat	84	23.6%	20.2 - 26.4%
Produce	82	29.3%	26.7 - 31.9%
Total Gross Margin	83	21.1%	19.4 - 23.7%
Operating Expenses:			
Store Labor:			
Regular	87	9.0%	8.0 - 10.5%
Benefits	87	1.4%	0.8 - 2.0%
Total Store Labor Expense	87	10.4%	9.0 - 12.1%
Advertising & Promotion	87	1.3%	0.9 - 1.7%
Occupancy (Excluding Utilities)	87	1.5%	1.1 - 2.3%
Utilities	87	1.3%	1.1 - 1.5%
Maintenance	87	0.6%	0.4 - 0.8%
Store Supplies	87	1.1%	0.9 - 1.3%
Interest	87	0.3%	0.1 - 0.7%
Other	87	3.6%	1.9 - 5.1%
Total Operating Expenses	87	21.3%	19.0 - 24.0%
Profit Before Tax	87	0.2%	-0.7 - 1.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	75	$72.60	$62.49 - 86.30
Gross Margin per Labor Hour	74	$14.90	$12.66 - 19.59
Profit Before Tax per Labor Hour	73	$0.21	-$0.42 - 0.85
Sales per Labor Dollar	87	$11.15	$9.57 - 12.56
Gross Margin per Labor Dollar	85	$2.27	$2.01 - 2.65
Transactions per Labor Hour	70	5.7	4.8 - 7.2
Payroll per Labor Hour	75	$6.02	$5.19 - 8.00
Benefits per Labor Hour	70	$0.93	$0.73 - 1.53
Payroll to Total Expenses	87	44.2%	38.1 - 49.7%
Benefits to Total Expenses	80	7.0%	4.6 - 10.0%
Payroll per Hour of Operation	87	$83.97	$57.17 - 117.28
Space Productivity			
Total Store Area:			
Average Square Footage	87	18,800	14,100 - 22,065
Weekly Sales per Square Foot	87	$5.42	$4.27 - 7.20
Weekly Gross Margin per Square Foot	85	$1.09	$0.88 - 1.53
Weekly Profit Before Tax per Sq Ft	84	$0.02	-$0.03 - 0.06
Selling Area:			
Average Square Footage	87	14,000	10,000 - 17,000
Weekly Sales per Square Foot	87	$7.09	$5.75 - 9.51
Weekly Gross Margin per Square Foot	85	$1.41	$1.18 - 2.02
Weekly Profit Before Tax per Sq Ft	84	$0.02	-$0.05 - 0.08
Average Weekly Sales per Store	87	$93,219	$66,732 - 121,674
Number of Checkouts	85	6	5 - 7
Weekly Sales per Checkout	85	$16,929	$14,221 - 20,066
Weekly Transactions per Checkout	79	1,376	1,166 - 1,617
Selling Square Footage per Checkout	85	2,400	2,000 - 2,800
Occupancy Cost (incl utilities) per Sq Ft	87	$7.87	$6.46 - 11.21
Occupancy Cost (incl util) to Total Expense	87	14.0%	11.1 - 17.2%
Transactions per Square Foot of Selling Area	81	0.56	0.47 - 0.76
Transactions per 1000 Selling Sq Ft per Hour	81	5.78	4.23 - 7.00
Percentage of Selling Area to Total Area	87	77.3%	68.0 - 83.2%
Inventory Dollars per Sq Ft of Selling Area	81	$18.02	$14.85 - 22.13

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	82	19.0%	17.1 - 21.6%
Meat	82	20.9%	18.9 - 23.3%
Produce	82	29.3%	26.7 - 31.9%
General Merchandise/HaBA	45	26.1%	22.3 - 30.0%
Beer/Wine	20	22.7%	20.0 - 25.3%
Service Deli	52	40.4%	35.7 - 45.1%
Scratch/Bake-Off Bakery	46	43.4%	32.5 - 50.7%
Frozen Food	42	24.9%	22.0 - 27.3%
Dairy	42	18.3%	15.2 - 20.1%
Other	36	22.6%	14.6 - 31.6%
Total Gross Margin	83	21.1%	19.4 - 23.7%
Annual Inventory Turnover:			
Grocery	78	13.3X	11.4 - 16.5X
Meat	76	41.0X	32.3 - 47.3X
Produce	78	54.1X	42.7 - 74.0X
General Merchandise/HaBA	41	5.0X	3.8 - 5.9X
Beer/Wine	18	10.0X	7.5 - 16.6X
Service Deli	49	26.0X	16.4 - 31.3X
Scratch/Bake-Off Bakery	43	19.5X	15.1 - 30.0X
Frozen Food	38	17.5X	13.2 - 22.1X
Dairy	38	37.2X	29.1 - 51.2X
Other	31	20.2X	5.3 - 29.5X
Total Inventory Turnover	80	16.2X	13.9 - 19.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	78	314.5%	266.0 - 430.0%
Meat	76	1,052.9%	809.2 - 1,306.6%
Produce	78	2,256.0%	1,667.1 - 3,031.2%
General Merchandise/HaBA	41	187.2%	119.0 - 263.8%
Beer/Wine	18	341.1%	251.2 - 438.3%
Service Deli	49	1,672.4%	1,162.3 - 2,043.2%
Scratch/Bake-Off Bakery	43	1,542.1%	939.5 - 2,120.2%
Frozen Food	38	596.5%	428.1 - 800.5%
Dairy	38	807.4%	609.8 - 1,165.1%
Other	31	389.7%	179.9 - 995.2%
Total GMROI	80	453.6%	346.9 - 543.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	84	72.0%	70.2 - 76.1%
Meat	84	19.8%	16.4 - 22.0%
Produce	84	8.3%	6.0 - 8.9%
Total Sales	84	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	84	20.1%	17.9 - 22.6%
Meat	84	23.6%	20.2 - 26.4%
Produce	82	29.3%	26.7 - 31.9%
Total Gross Margin	83	21.1%	19.4 - 23.7%
Annual Inventory Turnover:			
Grocery	79	13.5X	11.1 - 16.4X
Meat	77	36.6X	29.6 - 44.1X
Produce	78	54.1X	42.7 - 74.0X
Total Inventory Turnover	80	16.2X	13.9 - 19.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	79	331.9%	270.1 - 418.5%
Meat	77	1,119.4%	885.5 - 1,371.6%
Produce	78	2,256.0%	1,667.1 - 3,031.2%
Total GMROI	80	453.6%	346.9 - 543.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	44	4.5%	-0.1 - 9.6%
Average Transaction Size	43	$10.19	$8.52 - 13.00
Store Sales per Hour of Operation	49	$691	$507 - 949
Distribution of Sales:			
Grocery	44	58.4%	47.9 - 69.4%
Meat	44	17.5%	13.5 - 20.8%
Produce	44	8.4%	5.9 - 9.1%
General Merchandise/HaBA	44	1.6%	0.0 - 3.1%
Beer/Wine	44	0.5%	0.0 - 0.0%
Service Deli	44	3.2%	0.0 - 5.4%
Scratch/ Bake-Off Bakery	44	1.1%	0.0 - 0.2%
Frozen Food	44	3.1%	0.0 - 5.3%
Dairy	44	4.4%	0.0 - 9.1%
Other	44	1.9%	0.0 - 1.6%
Total	44	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	44	71.0%	68.7 - 75.6%
Meat	44	20.7%	16.2 - 23.8%
Produce	44	8.4%	5.9 - 9.1%
Total Sales	44	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	44	20.7%	18.3 - 23.0%
Meat	44	22.6%	19.4 - 28.1%
Produce	40	28.7%	26.2 - 32.1%
Total Gross Margin	40	21.8%	20.1 - 24.5%
Operating Expenses:			
Store Labor:			
Regular	43	8.7%	7.9 - 10.7%
Benefits	43	1.4%	0.5 - 2.0%
Total Store Labor Expense	43	9.9%	8.8 - 12.6%
Advertising & Promotion	43	1.1%	0.9 - 1.7%
Occupancy (Excluding Utilities)	43	1.1%	0.9 - 2.0%
Utilities	43	1.3%	1.1 - 1.6%
Maintenance	43	0.6%	0.4 - 0.7%
Store Supplies	43	1.0%	0.8 - 1.2%
Interest	43	0.3%	0.0 - 0.7%
Other	43	3.1%	0.6 - 4.6%
Total Operating Expenses	43	19.5%	17.9 - 23.5%
Profit Before Tax	43	1.7%	0.8 - 3.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	43	$78.93	$62.49 - 86.38
Gross Margin per Labor Hour	36	$16.00	$13.07 - 20.91
Profit Before Tax per Labor Hour	36	$1.27	$0.70 - 2.43
Sales per Labor Dollar	43	$11.51	$9.35 - 12.72
Gross Margin per Labor Dollar	42	$2.39	$2.04 - 2.81
Transactions per Labor Hour	39	7.2	5.4 - 8.6
Payroll per Labor Hour	37	$6.52	$5.69 - 7.95
Benefits per Labor Hour	33	$1.01	$0.51 - 1.56
Payroll to Total Expenses	43	47.0%	39.9 - 52.7%
Benefits to Total Expenses	38	8.1%	4.5 - 10.0%
Payroll per Hour of Operation	43	$59.06	$46.49 - 87.33
Space Productivity			
Total Store Area:			
Average Square Footage	49	11,000	9,163 - 12,000
Weekly Sales per Square Foot	49	$5.62	$4.62 - 7.38
Weekly Gross Margin per Square Foot	42	$1.16	$0.97 - 1.61
Weekly Profit Before Tax per Sq Ft	42	$0.10	$0.05 - 0.17
Selling Area:			
Average Square Footage	49	8,200	7,200 - 9,000
Weekly Sales per Square Foot	49	$7.78	$6.15 - 9.80
Weekly Gross Margin per Square Foot	42	$1.59	$1.34 - 2.28
Weekly Profit Before Tax per Sq Ft	42	$0.13	$0.08 - 0.24
Average Weekly Sales per Store	49	$61,368	$46,203 - 81,500
Number of Checkouts	45	4	4 - 5
Weekly Sales per Checkout	45	$15,000	$12,524 - 16,929
Weekly Transactions per Checkout	41	1,333	1,150 - 1,800
Selling Square Footage per Checkout	45	1,898	1,625 - 2,250
Occupancy Cost (incl utilities) per Sq Ft	43	$7.89	$5.50 - 10.45
Occupancy Cost (incl util) to Total Expense	43	12.9%	10.7 - 16.9%
Transactions per Square Foot of Selling Area	43	0.75	0.60 - 1.01
Transactions per 1000 Selling Sq Ft per Hour	43	8.55	6.32 - 11.13
Percentage of Selling Area to Total Area	49	75.0%	66.7 - 80.4%
Inventory Dollars per Sq Ft of Selling Area	40	$19.68	$17.27 - 24.05

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	40	21.0%	18.7 - 23.5%
Meat	40	21.5%	18.7 - 26.3%
Produce	40	28.7%	26.2 - 32.1%
General Merchandise/HaBA	15	25.6%	20.5 - 31.3%
Beer/Wine	5	20.0%	
Service Deli	22	41.2%	36.1 - 46.7%
Scratch/Bake-Off Bakery	10	42.2%	33.7 - 49.0%
Frozen Food	16	27.0%	22.2 - 28.4%
Dairy	18	18.9%	15.3 - 22.0%
Other	14	19.7%	15.7 - 22.4%
Total Gross Margin	40	21.8%	20.1 - 24.5%
Annual Inventory Turnover:			
Grocery	38	12.2X	10.2 - 14.1X
Meat	37	38.3X	29.4 - 48.9X
Produce	38	48.6X	39.3 - 63.5X
General Merchandise/HaBA	12	6.2X	3.2 - 7.7X
Beer/Wine	5	10.3X	
Service Deli	21	26.6X	20.0 - 34.2X
Scratch/Bake-Off Bakery	10	24.5X	14.3 - 30.7X
Frozen Food	14	18.7X	14.1 - 26.3X
Dairy	16	35.4X	30.7 - 40.0X
Other	11	19.0X	14.1 - 27.3X
Total Inventory Turnover	39	15.2X	13.6 - 18.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	39	336.7%	249.9 - 426.0%
Meat	38	1,015.0%	757.2 - 1,562.8%
Produce	39	2,042.9%	1,323.9 - 2,776.9%
General Merchandise/HaBA	13	198.0%	146.7 - 273.5%
Beer/Wine	5	320.0%	
Service Deli	21	1,848.3%	1,536.8 - 2,375.7%
Scratch/Bake-Off Bakery	11	1,506.9%	898.7 - 2,175.3%
Frozen Food	15	755.7%	533.9 - 883.0%
Dairy	17	827.7%	597.9 - 1,025.1%
Other	11	460.9%	298.9 - 633.5%
Total GMROI	39	486.7%	340.4 - 572.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	44	71.0%	68.7 - 75.6%
Meat	44	20.7%	16.2 - 23.8%
Produce	44	8.4%	5.9 - 9.1%
Total Sales	44	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	44	20.7%	18.3 - 23.0%
Meat	44	22.6%	19.4 - 28.1%
Produce	40	28.7%	26.2 - 32.1%
Total Gross Margin	40	21.8%	20.1 - 24.5%
Annual Inventory Turnover:			
Grocery	39	13.0X	10.3 - 15.9X
Meat	38	35.9X	28.9 - 40.6X
Produce	38	48.6X	39.3 - 63.5X
Total Inventory Turnover	39	15.2X	13.6 - 18.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	40	329.6%	257.0 - 420.0%
Meat	39	1,242.8%	832.8 - 1,767.2%
Produce	39	2,042.9%	1,323.9 - 2,776.9%
Total GMROI	39	486.7%	340.4 - 572.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	40	5.0%	0.3 - 8.4%
Average Transaction Size	34	$12.57	$10.33 - 13.75
Store Sales per Hour of Operation	41	$903	$739 - 1,176
Distribution of Sales:			
Grocery	40	58.9%	48.0 - 71.0%
Meat	40	16.5%	13.6 - 18.2%
Produce	40	8.2%	6.3 - 8.2%
General Merchandise/HaBA	40	2.5%	0.0 - 4.5%
Beer/Wine	40	0.9%	0.0 - 0.0%
Service Deli	40	2.7%	0.0 - 5.0%
Scratch/ Bake-Off Bakery	40	1.2%	0.0 - 2.0%
Frozen Food	40	3.1%	0.0 - 6.0%
Dairy	40	4.7%	0.0 - 10.0%
Other	40	1.4%	0.0 - 2.4%
Total	40	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	40	72.6%	71.1 - 76.2%
Meat	40	19.2%	16.0 - 20.4%
Produce	40	8.2%	6.3 - 8.2%
Total Sales	40	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	40	20.3%	18.5 - 21.7%
Meat	40	22.9%	20.0 - 25.0%
Produce	38	28.8%	26.7 - 31.3%
Total Gross Margin	39	21.3%	19.9 - 23.1%
Operating Expenses:			
Store Labor:			
Regular	37	8.8%	7.9 - 9.6%
Benefits	37	1.4%	0.8 - 2.0%
Total Store Labor Expense	37	10.1%	8.9 - 11.5%
Advertising & Promotion	37	1.3%	1.0 - 1.6%
Occupancy (Excluding Utilities)	37	1.4%	1.0 - 1.8%
Utilities	37	1.3%	1.1 - 1.5%
Maintenance	37	0.5%	0.4 - 0.7%
Store Supplies	37	1.0%	0.9 - 1.1%
Interest	37	0.3%	0.1 - 0.8%
Other	37	2.9%	1.1 - 4.2%
Total Operating Expenses	37	19.6%	18.2 - 20.8%
Profit Before Tax	37	1.6%	0.2 - 2.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	33	$76.56	$63.14 - 82.80
Gross Margin per Labor Hour	31	$16.04	$12.71 - 18.70
Profit Before Tax per Labor Hour	29	$0.95	$0.02 - 1.78
Sales per Labor Dollar	37	$11.35	$10.40 - 12.61
Gross Margin per Labor Dollar	37	$2.52	$2.18 - 2.77
Transactions per Labor Hour	28	6.5	5.4 - 7.1
Payroll per Labor Hour	29	$6.24	$5.59 - 7.90
Benefits per Labor Hour	28	$0.94	$0.64 - 1.49
Payroll to Total Expenses	37	44.2%	40.3 - 51.3%
Benefits to Total Expenses	35	7.3%	4.9 - 9.6%
Payroll per Hour of Operation	36	$77.64	$56.60 - 107.23
Space Productivity			
Total Store Area:			
Average Square Footage	43	14,700	14,000 - 16,000
Weekly Sales per Square Foot	43	$5.86	$4.43 - 6.92
Weekly Gross Margin per Square Foot	39	$1.20	$0.88 - 1.53
Weekly Profit Before Tax per Sq Ft	37	$0.08	$0.01 - 0.14
Selling Area:			
Average Square Footage	43	11,100	10,250 - 12,000
Weekly Sales per Square Foot	43	$7.07	$6.28 - 9.48
Weekly Gross Margin per Square Foot	39	$1.52	$1.18 - 2.09
Weekly Profit Before Tax per Sq Ft	37	$0.12	$0.01 - 0.22
Average Weekly Sales per Store	43	$80,000	$67,402 - 106,076
Number of Checkouts	39	5	5 - 6
Weekly Sales per Checkout	39	$16,354	$14,486 - 18,771
Weekly Transactions per Checkout	33	1,379	1,160 - 1,650
Selling Square Footage per Checkout	39	2,000	1,908 - 2,450
Occupancy Cost (incl utilities) per Sq Ft	37	$7.64	$5.94 - 9.86
Occupancy Cost (incl util) to Total Expense	37	14.6%	11.2 - 17.2%
Transactions per Square Foot of Selling Area	34	0.62	0.50 - 0.81
Transactions per 1000 Selling Sq Ft per Hour	33	6.81	5.54 - 7.69
Percentage of Selling Area to Total Area	43	75.0%	69.2 - 80.0%
Inventory Dollars per Sq Ft of Selling Area	37	$18.08	$15.69 - 20.51

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	38	19.3%	17.6 - 21.0%
Meat	38	21.6%	19.1 - 22.9%
Produce	38	28.8%	26.7 - 31.3%
General Merchandise/HaBA	21	26.3%	23.0 - 30.0%
Beer/Wine	8	21.9%	19.2 - 25.8%
Service Deli	23	40.0%	34.6 - 41.6%
Scratch/Bake-Off Bakery	17	44.6%	35.1 - 48.8%
Frozen Food	17	24.9%	22.9 - 27.9%
Dairy	18	18.4%	17.6 - 21.3%
Other	14	22.0%	16.3 - 34.5%
Total Gross Margin	39	21.3%	19.9 - 23.1%
Annual Inventory Turnover:			
Grocery	35	14.9X	11.6 - 17.3X
Meat	34	41.8X	32.1 - 53.5X
Produce	35	56.6X	45.9 - 68.3X
General Merchandise/HaBA	20	5.7X	5.1 - 6.9X
Beer/Wine	8	8.2X	6.4 - 12.0X
Service Deli	20	29.5X	23.4 - 37.2X
Scratch/Bake-Off Bakery	14	19.6X	16.8 - 28.8X
Frozen Food	16	19.7X	15.3 - 23.4X
Dairy	17	39.8X	30.7 - 51.6X
Other	13	18.8X	5.8 - 30.9X
Total Inventory Turnover	36	17.7X	14.2 - 20.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	35	342.7%	291.5 - 398.8%
Meat	34	1,109.1%	908.6 - 1,350.7%
Produce	35	2,269.9%	1,835.4 - 3,009.0%
General Merchandise/HaBA	20	237.6%	162.1 - 259.8%
Beer/Wine	8	285.3%	169.4 - 366.8%
Service Deli	20	1,870.0%	1,166.1 - 2,465.6%
Scratch/Bake-Off Bakery	14	2,168.1%	1,225.9 - 2,353.8%
Frozen Food	16	647.4%	503.2 - 774.1%
Dairy	17	954.8%	646.2 - 1,356.3%
Other	13	505.6%	172.6 - 1,181.2%
Total GMROI	36	488.0%	364.1 - 588.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	40	72.6%	71.1 - 76.2%
Meat	40	19.2%	16.0 - 20.4%
Produce	40	8.2%	6.3 - 8.2%
Total Sales	40	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	40	20.3%	18.5 - 21.7%
Meat	40	22.9%	20.0 - 25.0%
Produce	38	28.8%	26.7 - 31.3%
Total Gross Margin	39	21.3%	19.9 - 23.1%
Annual Inventory Turnover:			
Grocery	35	14.6X	11.7 - 17.2X
Meat	34	36.8X	31.6 - 46.1X
Produce	35	56.6X	45.9 - 68.3X
Total Inventory Turnover	36	17.7X	14.2 - 20.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	35	354.6%	295.8 - 430.4%
Meat	34	1,261.5%	973.2 - 1,558.2%
Produce	35	2,269.9%	1,835.4 - 3,009.0%
Total GMROI	36	488.0%	364.1 - 588.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	53	2.7%	0.0 - 7.3%
Average Transaction Size	56	$13.24	$10.12 - 16.80
Store Sales per Hour of Operation	60	$1,056	$711 - 1,398
Distribution of Sales:			
Grocery	54	58.1%	50.0 - 67.3%
Meat	54	16.0%	13.5 - 18.3%
Produce	54	7.4%	5.7 - 8.4%
General Merchandise/HaBA	54	3.5%	0.0 - 5.8%
Beer/Wine	54	0.8%	0.0 - 0.0%
Service Deli	54	2.7%	0.0 - 4.6%
Scratch/ Bake-Off Bakery	54	1.7%	0.0 - 2.9%
Frozen Food	54	3.1%	0.0 - 5.7%
Dairy	54	4.1%	0.0 - 8.7%
Other	54	2.8%	0.0 - 3.0%
Total	54	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	54	74.0%	71.6 - 77.4%
Meat	54	18.7%	16.3 - 21.1%
Produce	54	7.4%	5.7 - 8.4%
Total Sales	54	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	54	20.0%	17.9 - 23.1%
Meat	54	23.5%	20.3 - 26.0%
Produce	53	30.1%	26.9 - 31.8%
Total Gross Margin	53	21.8%	19.6 - 24.2%
Operating Expenses:			
Store Labor:			
Regular	56	8.7%	7.4 - 10.3%
Benefits	56	1.2%	0.5 - 2.0%
Total Store Labor Expense	56	10.4%	8.4 - 12.3%
Advertising & Promotion	56	1.4%	0.9 - 1.7%
Occupancy (Excluding Utilities)	56	1.5%	1.1 - 2.3%
Utilities	56	1.3%	1.1 - 1.5%
Maintenance	56	0.6%	0.4 - 0.7%
Store Supplies	56	1.1%	0.8 - 1.3%
Interest	56	0.2%	0.0 - 0.4%
Other	56	2.6%	1.3 - 3.9%
Total Operating Expenses	56	19.3%	17.3 - 22.5%
Profit Before Tax	56	1.2%	0.0 - 3.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	48	$73.84	$66.70 - 88.46
Gross Margin per Labor Hour	46	$16.31	$13.22 - 18.75
Profit Before Tax per Labor Hour	45	$1.04	$0.20 - 2.05
Sales per Labor Dollar	56	$11.55	$9.69 - 13.51
Gross Margin per Labor Dollar	55	$2.44	$2.06 - 2.81
Transactions per Labor Hour	46	5.8	4.4 - 7.3
Payroll per Labor Hour	46	$6.13	$5.30 - 7.88
Benefits per Labor Hour	41	$1.20	$0.73 - 1.91
Payroll to Total Expenses	56	45.6%	39.5 - 52.8%
Benefits to Total Expenses	48	7.4%	5.2 - 11.0%
Payroll per Hour of Operation	55	$84.44	$60.39 - 135.14
Space Productivity			
Total Store Area:			
Average Square Footage	62	20,000	17,625 - 22,000
Weekly Sales per Square Foot	61	$4.95	$4.16 - 6.53
Weekly Gross Margin per Square Foot	55	$1.04	$0.86 - 1.52
Weekly Profit Before Tax per Sq Ft	54	$0.06	$0.01 - 0.18
Selling Area:			
Average Square Footage	62	15,000	13,925 - 16,000
Weekly Sales per Square Foot	61	$6.97	$5.04 - 8.96
Weekly Gross Margin per Square Foot	55	$1.42	$1.11 - 1.98
Weekly Profit Before Tax per Sq Ft	54	$0.08	$0.01 - 0.26
Average Weekly Sales per Store	61	$107,289	$76,084 - 132,297
Number of Checkouts	61	6	5 - 7
Weekly Sales per Checkout	60	$18,021	$13,713 - 20,960
Weekly Transactions per Checkout	55	1,429	1,072 - 1,616
Selling Square Footage per Checkout	60	2,542	2,125 - 3,000
Occupancy Cost (incl utilities) per Sq Ft	56	$7.18	$5.19 - 9.86
Occupancy Cost (incl util) to Total Expense	56	15.1%	11.4 - 18.4%
Transactions per Square Foot of Selling Area	56	0.51	0.43 - 0.69
Transactions per 1000 Selling Sq Ft per Hour	56	5.13	4.09 - 6.45
Percentage of Selling Area to Total Area	61	77.3%	69.6 - 82.5%
Inventory Dollars per Sq Ft of Selling Area	52	$16.98	$14.02 - 22.44

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	53	19.1%	17.8 - 21.9%
Meat	53	21.0%	19.1 - 23.7%
Produce	53	30.1%	26.9 - 31.8%
General Merchandise/HaBA	28	25.6%	23.3 - 27.5%
Beer/Wine	10	25.9%	20.9 - 33.7%
Service Deli	37	37.0%	34.6 - 43.1%
Scratch/Bake-Off Bakery	31	42.0%	38.7 - 53.7%
Frozen Food	23	23.1%	21.3 - 25.5%
Dairy	21	19.1%	15.0 - 21.3%
Other	25	23.4%	12.3 - 33.9%
Total Gross Margin	53	21.8%	19.6 - 24.2%
Annual Inventory Turnover:			
Grocery	51	13.5X	11.3 - 17.9X
Meat	51	41.6X	35.8 - 50.5X
Produce	51	58.3X	44.6 - 69.2X
General Merchandise/HaBA	27	4.4X	3.6 - 6.8X
Beer/Wine	10	8.6X	6.8 - 9.9X
Service Deli	35	26.5X	15.3 - 33.6X
Scratch/Bake-Off Bakery	29	22.7X	14.4 - 30.3X
Frozen Food	21	15.8X	13.1 - 18.3X
Dairy	19	41.6X	28.8 - 54.9X
Other	19	8.3X	4.7 - 26.0X
Total Inventory Turnover	52	15.9X	12.9 - 19.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	52	319.4%	270.7 - 448.5%
Meat	52	1,126.8%	891.1 - 1,587.1%
Produce	52	2,368.7%	1,752.2 - 3,149.5%
General Merchandise/HaBA	28	152.0%	116.8 - 279.5%
Beer/Wine	11	321.7%	187.5 - 437.0%
Service Deli	35	1,486.7%	656.6 - 1,958.9%
Scratch/Bake-Off Bakery	30	2,002.4%	1,030.9 - 3,070.2%
Frozen Food	21	458.6%	336.7 - 623.7%
Dairy	19	961.5%	694.5 - 1,288.8%
Other	19	243.1%	104.3 - 680.8%
Total GMROI	52	441.9%	337.1 - 534.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	54	74.0%	71.6 - 77.4%
Meat	54	18.7%	16.3 - 21.1%
Produce	54	7.4%	5.7 - 8.4%
Total Sales	54	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	54	20.0%	17.9 - 23.1%
Meat	54	23.5%	20.3 - 26.0%
Produce	53	30.1%	26.9 - 31.8%
Total Gross Margin	53	21.8%	19.6 - 24.2%
Annual Inventory Turnover:			
Grocery	51	13.1X	10.9 - 16.8X
Meat	51	39.7X	33.1 - 46.0X
Produce	51	58.3X	44.6 - 69.2X
Total Inventory Turnover	52	15.9X	12.9 - 19.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	52	316.5%	259.8 - 432.0%
Meat	52	1,177.0%	875.9 - 1,630.8%
Produce	52	2,368.7%	1,752.2 - 3,149.5%
Total GMROI	52	441.9%	337.1 - 534.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	44	6.2%	1.3 - 11.7%
Average Transaction Size	44	$14.21	$12.08 - 17.51
Store Sales per Hour of Operation	46	$1,363	$1,000 - 2,103
Distribution of Sales:			
Grocery	41	54.9%	46.8 - 66.4%
Meat	41	15.9%	14.0 - 18.0%
Produce	41	7.7%	6.2 - 8.7%
General Merchandise/HaBA	41	2.8%	0.0 - 5.1%
Beer/Wine	41	1.8%	0.0 - 2.5%
Service Deli	41	3.5%	0.0 - 5.5%
Scratch/ Bake-Off Bakery	41	2.0%	0.0 - 2.8%
Frozen Food	41	4.7%	0.0 - 7.3%
Dairy	41	5.6%	0.0 - 9.4%
Other	41	1.2%	0.0 - 1.3%
Total	41	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	41	72.9%	70.1 - 76.6%
Meat	41	19.4%	16.6 - 21.2%
Produce	41	7.7%	6.2 - 8.7%
Total Sales	41	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	41	20.0%	18.8 - 21.6%
Meat	41	24.0%	22.1 - 26.9%
Produce	40	30.7%	28.8 - 31.8%
Total Gross Margin	40	21.5%	20.5 - 23.3%
Operating Expenses:			
Store Labor:			
Regular	39	8.4%	7.5 - 9.6%
Benefits	39	1.3%	0.9 - 1.6%
Total Store Labor Expense	39	9.9%	8.8 - 10.7%
Advertising & Promotion	39	1.1%	0.8 - 2.1%
Occupancy (Excluding Utilities)	39	1.7%	1.3 - 2.3%
Utilities	39	1.2%	1.0 - 1.4%
Maintenance	39	0.6%	0.4 - 0.9%
Store Supplies	39	1.1%	0.8 - 1.4%
Interest	39	0.2%	0.0 - 0.7%
Other	39	2.7%	1.2 - 4.6%
Total Operating Expenses	39	19.1%	18.0 - 22.2%
Profit Before Tax	39	2.3%	0.7 - 3.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	43	$83.10	$70.10 - 94.96
Gross Margin per Labor Hour	38	$17.69	$14.10 - 20.87
Profit Before Tax per Labor Hour	37	$1.72	$0.41 - 3.15
Sales per Labor Dollar	39	$11.87	$10.39 - 13.42
Gross Margin per Labor Dollar	39	$2.54	$2.34 - 2.90
Transactions per Labor Hour	41	5.3	4.7 - 6.4
Payroll per Labor Hour	37	$6.40	$5.52 - 8.06
Benefits per Labor Hour	34	$0.90	$0.80 - 1.39
Payroll to Total Expenses	39	44.3%	39.4 - 46.9%
Benefits to Total Expenses	35	7.1%	5.3 - 8.5%
Payroll per Hour of Operation	39	$121.95	$83.44 - 172.25
Space Productivity			
Total Store Area:			
Average Square Footage	46	25,000	24,000 - 28,000
Weekly Sales per Square Foot	46	$5.74	$4.43 - 7.94
Weekly Gross Margin per Square Foot	40	$1.26	$0.98 - 1.82
Weekly Profit Before Tax per Sq Ft	39	$0.11	$0.04 - 0.25
Selling Area:			
Average Square Footage	46	20,000	18,563 - 21,611
Weekly Sales per Square Foot	46	$6.72	$5.44 - 9.68
Weekly Gross Margin per Square Foot	40	$1.45	$1.19 - 2.16
Weekly Profit Before Tax per Sq Ft	39	$0.14	$0.06 - 0.31
Average Weekly Sales per Store	46	$141,960	$106,230 - 200,990
Number of Checkouts	46	7	6 - 8
Weekly Sales per Checkout	46	$20,857	$15,545 - 24,559
Weekly Transactions per Checkout	44	1,348	1,178 - 1,573
Selling Square Footage per Checkout	46	2,857	2,500 - 3,250
Occupancy Cost (incl utilities) per Sq Ft	39	$10.13	$6.83 - 12.01
Occupancy Cost (incl util) to Total Expense	39	14.2%	11.4 - 18.5%
Transactions per Square Foot of Selling Area	44	0.51	0.39 - 0.61
Transactions per 1000 Selling Sq Ft per Hour	44	5.33	3.88 - 6.52
Percentage of Selling Area to Total Area	46	80.8%	75.8 - 87.1%
Inventory Dollars per Sq Ft of Selling Area	42	$16.80	$13.66 - 18.98

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	40	18.7%	17.4 - 20.6%
Meat	40	21.5%	19.8 - 23.4%
Produce	40	30.7%	28.8 - 31.8%
General Merchandise/HaBA	20	25.6%	19.7 - 29.1%
Beer/Wine	15	21.5%	19.7 - 24.3%
Service Deli	29	39.0%	33.2 - 42.7%
Scratch/Bake-Off Bakery	29	44.7%	27.1 - 54.4%
Frozen Food	23	25.4%	24.2 - 27.4%
Dairy	22	19.5%	17.9 - 22.0%
Other	18	20.3%	17.2 - 27.8%
Total Gross Margin	40	21.5%	20.5 - 23.3%
Annual Inventory Turnover:			
Grocery	37	15.7X	11.4 - 18.0X
Meat	37	44.5X	37.3 - 55.5X
Produce	37	57.8X	42.9 - 74.8X
General Merchandise/HaBA	16	5.2X	4.5 - 6.2X
Beer/Wine	12	9.8X	8.1 - 17.1X
Service Deli	26	25.8X	21.0 - 31.0X
Scratch/Bake-Off Bakery	26	22.7X	15.8 - 46.9X
Frozen Food	21	17.7X	13.9 - 24.7X
Dairy	20	41.6X	34.5 - 52.5X
Other	15	9.8X	5.5 - 21.2X
Total Inventory Turnover	40	17.4X	14.6 - 22.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	37	380.8%	289.3 - 431.5%
Meat	37	1,197.9%	1,004.8 - 1,662.3%
Produce	37	2,509.7%	1,600.0 - 3,446.7%
General Merchandise/HaBA	16	189.0%	151.1 - 262.1%
Beer/Wine	12	338.0%	213.1 - 453.4%
Service Deli	26	1,800.4%	1,187.6 - 2,286.4%
Scratch/Bake-Off Bakery	26	1,660.0%	1,395.2 - 2,480.6%
Frozen Food	21	647.2%	441.9 - 890.4%
Dairy	20	1,013.6%	739.0 - 1,196.7%
Other	15	243.2%	140.0 - 722.7%
Total GMROI	40	503.4%	408.0 - 584.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	41	72.9%	70.1 - 76.6%
Meat	41	19.4%	16.6 - 21.2%
Produce	41	7.7%	6.2 - 8.7%
Total Sales	41	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	41	20.0%	18.8 - 21.6%
Meat	41	24.0%	22.1 - 26.9%
Produce	40	30.7%	28.8 - 31.8%
Total Gross Margin	40	21.5%	20.5 - 23.3%
Annual Inventory Turnover:			
Grocery	38	15.1X	12.1 - 18.9X
Meat	38	40.9X	31.2 - 49.6X
Produce	37	57.8X	42.9 - 74.8X
Total Inventory Turnover	40	17.4X	14.6 - 22.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	38	378.4%	304.0 - 466.1%
Meat	38	1,215.8%	1,026.6 - 1,575.0%
Produce	37	2,509.7%	1,600.0 - 3,446.7%
Total GMROI	40	503.4%	408.0 - 584.0%

Super Stores

Overview of Performance--Super Stores

The success of an independent super store, as with any other type of retailer is to control expenses and effectively manage resources.

Some highlights of the 1987 performance include:

- Typical weekly sales of nearly $300,000 with an average transaction size of nearly $19.00.
- Total store area reported at nearly 40,000 square feet and typically 73% of that used for selling area.
- Operating expenses absorbed over 20% of sales, while labor expense to sales was under 11.0%.
- Net profit margin before tax was 2.5%.
- Inventory productivity was very strong with gross profit margin at 23.5%; inventory turnover over 23 times; and a GMROI at 674.0%.

The table below highlights selected key ratios and their five year comparisons for all super store operators responding to the FMI **Operating Results of Independent Supermarkets.**

All Responding Super Store Operators
1983--1987

	1987	1986	1985	1984	1983
SALES DATA					
Average Weekly Sales per Store	$298,907	$245,521	$261,538	$213,462	$256,690
Sales per Labor Hour	$91.49	$85.99	$91.25	$85.47	$88.31
Average Transaction Size	$18.99	$18.28	$16.94	$16.83	$19.33
SPACE DATA					
Total Store Area (square feet)	39,500	35,500	35,000	34,500	33,575
Selling Area (square feet)	27,653	27,400	27,500	25,500	26,500
Weekly Sales per Sq. ft. of Selling Area	$11.02	$9.08	$8.04	$8.85	$10.62
INVENTORY DATA					
Inventory Turnover (times)	23.1x	18.3x	21.4x	19.4x	24.8x
Gross Profit Margin	23.5%	22.8%	22.9%	21.8%	20.8%
GMROI	674.0%	489.1%	598.2%	553.1%	661.2%
PROFIT DATA					
Net Profit Margin Before Tax	2.5%	1.0%	1.6%	2.4%	2.5%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	20.3%	20.9%	18.1%	20.5%	19.1%
Store Labor Expense:					
Direct/Regular	8.8%	9.2%	8.2%	8.8%	8.3%
Fringe Benefits	1.7%	1.5%	1.3%	1.8%	1.3%

Super Stores--Winners vs. Losers in 1987

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1987 high performance stores exhibited:

- Coincidentally, the high profit firms had lower sales growth than the least profitable stores (6.3% versus 8.1%), however, the average transaction sizes were nearly double ($22.33 for the most profitable stores versus the $13.29 of the least profitable).

- Stronger inventory productivity with a higher gross margin (23.5% versus 22.6%) and stronger GMROI (687.0% versus 661.0%), however, the lower profit stores had a slightly higher inventory turnover at 23.22 versus 22.4 times of the most profitable stores.

- Nearly 30% higher sales per labor hour ($99.71 versus $69.17).

- Higher space productivity as measured by both sales and gross margin per square foot of selling area (both of which were more than 15% higher for the profit leaders).

As can be seen by the income statement that follows, the most profitable stores exhibited tighter expense control than the lower profit stores. Expense control coupled with the higher gross margin percent of sales (23.5% versus 22.6%) was instrumental in determining the industry "winners."

1987 Summary Income Statement (Numbers Expressed as a % of Total Sales)		
	Most Profitable Stores	**Least Profitable Stores**
Sales:		
Grocery	70.0%	73.1%
Meat	21.3	18.7
Produce	8.7	8.2
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	21.8	21.1
Meat	26.2	25.5
Produce	32.2	30.7
Total Gross Margin	23.5	22.6
Operating Expenses:		
Store Labor:		
Regular	9.0	8.8
Benefits	1.7	1.7
Total Store Labor Expense	10.9	10.9
Advertising & Promotion	1.0	1.5
Occupancy (Excluding Utilities)	2.2	2.0
Utilities	0.8	1.1
Maintenance	0.6	0.6
Store Supplies	1.1	1.3
Interest	0.2	0.1
Other	3.0	3.6
Total Operating Expenses	19.9	21.7
Profit Before Tax	3.3	1.2

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	30	6.9%	1.3 - 11.8%
Average Transaction Size	30	$18.99	$13.26 - 24.18
Store Sales per Hour of Operation	33	$2,954	$2,018 - 3,543
Distribution of Sales:			
Grocery	30	47.9%	41.6 - 51.9%
Meat	30	15.0%	12.2 - 17.6%
Produce	30	8.5%	7.0 - 9.6%
General Merchandise/HaBA	30	5.2%	0.0 - 8.7%
Beer/Wine	30	1.1%	0.0 - 2.1%
Service Deli	30	5.0%	3.3 - 6.5%
Scratch/ Bake-Off Bakery	30	2.5%	1.4 - 3.5%
Frozen Food	30	4.9%	0.0 - 7.2%
Dairy	30	6.4%	0.0 - 9.7%
Other	30	3.6%	0.3 - 6.0%
Total	30	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	30	71.6%	68.2 - 76.9%
Meat	30	20.0%	16.4 - 22.1%
Produce	30	8.5%	7.0 - 9.6%
Total Sales	30	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	30	21.5%	20.2 - 24.2%
Meat	30	26.0%	22.5 - 29.2%
Produce	28	31.6%	28.3 - 33.8%
Total Gross Margin	28	23.5%	22.0 - 26.5%
Operating Expenses:			
Store Labor:			
Regular	31	8.8%	7.9 - 10.2%
Benefits	31	1.7%	1.1 - 2.4%
Total Store Labor Expense	31	10.9%	9.6 - 12.2%
Advertising & Promotion	31	1.1%	0.7 - 2.2%
Occupancy (Excluding Utilities)	31	2.2%	1.3 - 2.9%
Utilities	31	0.8%	0.7 - 1.2%
Maintenance	31	0.6%	0.4 - 0.8%
Store Supplies	31	1.2%	0.9 - 1.4%
Interest	31	0.1%	0.0 - 0.4%
Other	31	3.1%	1.5 - 4.2%
Total Operating Expenses	31	20.3%	18.4 - 22.7%
Profit Before Tax	31	2.5%	1.2 - 3.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	27	$91.49	$67.11 - 99.82
Gross Margin per Labor Hour	23	$20.65	$16.76 - 23.99
Profit Before Tax per Labor Hour	23	$2.49	$1.21 - 3.27
Sales per Labor Dollar	31	$11.31	$9.81 - 12.59
Gross Margin per Labor Dollar	28	$2.68	$2.37 - 2.87
Transactions per Labor Hour	27	4.6	3.7 - 5.3
Payroll per Labor Hour	25	$7.24	$6.00 - 8.59
Benefits per Labor Hour	24	$1.56	$1.02 - 2.05
Payroll to Total Expenses	31	43.4%	39.4 - 49.5%
Benefits to Total Expenses	29	9.4%	6.5 - 11.5%
Payroll per Hour of Operation	31	$242.61	$176.62 - 372.63
Space Productivity			
Total Store Area:			
Average Square Footage	34	39,500	32,925 - 44,945
Weekly Sales per Square Foot	34	$7.24	$5.76 - 9.18
Weekly Gross Margin per Square Foot	28	$1.81	$1.20 - 2.41
Weekly Profit Before Tax per Sq Ft	28	$0.18	$0.11 - 0.35
Selling Area:			
Average Square Footage	34	27,653	24,725 - 32,750
Weekly Sales per Square Foot	34	$11.02	$9.09 - 12.46
Weekly Gross Margin per Square Foot	28	$2.76	$1.89 - 3.38
Weekly Profit Before Tax per Sq Ft	28	$0.26	$0.17 - 0.49
Average Weekly Sales per Store	34	$298,907	$223,891 - 396,291
Number of Checkouts	33	10	9 - 13
Weekly Sales per Checkout	33	$27,813	$22,500 - 31,535
Weekly Transactions per Checkout	30	1,510	1,174 - 1,915
Selling Square Footage per Checkout	33	2,615	2,175 - 2,923
Occupancy Cost (incl utilities) per Sq Ft	31	$11.27	$9.36 - 15.70
Occupancy Cost (incl util) to Total Expense	31	13.9%	10.8 - 18.0%
Transactions per Square Foot of Selling Area	30	0.57	0.49 - 0.72
Transactions per 1000 Selling Sq Ft per Hour	30	5.39	4.54 - 6.77
Percentage of Selling Area to Total Area	34	73.5%	68.1 - 79.0%
Inventory Dollars per Sq Ft of Selling Area	30	$18.80	$15.47 - 21.51

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	28	18.9%	17.2 - 20.7%
Meat	28	22.8%	20.4 - 25.0%
Produce	28	31.6%	28.3 - 33.8%
General Merchandise/HaBA	20	26.1%	23.2 - 30.7%
Beer/Wine	9	21.7%	20.1 - 22.7%
Service Deli	28	38.0%	35.1 - 44.0%
Scratch/Bake-Off Bakery	24	57.8%	44.7 - 63.4%
Frozen Food	19	25.5%	22.7 - 26.9%
Dairy	18	20.6%	18.6 - 22.1%
Other	20	29.6%	27.2 - 35.1%
Total Gross Margin	28	23.5%	22.0 - 26.5%
Annual Inventory Turnover:			
Grocery	27	19.8X	16.6 - 26.4X
Meat	27	62.1X	45.9 - 81.0X
Produce	27	71.6X	47.6 - 88.5X
General Merchandise/HaBA	19	7.0X	5.5 - 9.4X
Beer/Wine	9	9.2X	7.8 - 10.0X
Service Deli	27	29.8X	26.1 - 36.9X
Scratch/Bake-Off Bakery	22	19.8X	14.4 - 27.5X
Frozen Food	19	26.2X	21.6 - 30.8X
Dairy	18	44.9X	41.0 - 51.9X
Other	19	14.4X	10.1 - 20.9X
Total Inventory Turnover	28	23.1X	18.5 - 26.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	27	462.7%	403.6 - 573.7%
Meat	27	1,820.5%	1,198.6 - 2,387.8%
Produce	27	2,888.7%	2,275.8 - 4,215.2%
General Merchandise/HaBA	19	272.5%	229.8 - 303.5%
Beer/Wine	9	252.1%	220.5 - 312.6%
Service Deli	27	1,912.5%	1,474.8 - 2,629.6%
Scratch/Bake-Off Bakery	23	2,682.5%	2,114.9 - 3,385.0%
Frozen Food	19	763.5%	717.2 - 1,154.1%
Dairy	18	1,149.2%	916.1 - 1,241.7%
Other	19	621.8%	465.8 - 907.6%
Total GMROI	28	674.0%	617.0 - 850.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	30	71.6%	68.2 - 76.9%
Meat	30	20.0%	16.4 - 22.1%
Produce	30	8.5%	7.0 - 9.6%
Total Sales	30	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	30	21.5%	20.2 - 24.2%
Meat	30	26.0%	22.5 - 29.2%
Produce	28	31.6%	28.3 - 33.8%
Total Gross Margin	28	23.5%	22.0 - 26.5%
Annual Inventory Turnover:			
Grocery	28	18.7X	15.0 - 21.8X
Meat	28	51.9X	40.0 - 60.4X
Produce	27	71.6X	47.6 - 88.5X
Total Inventory Turnover	28	23.1X	18.5 - 26.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	28	497.4%	460.2 - 605.9%
Meat	28	1,852.9%	1,305.9 - 2,180.8%
Produce	27	2,888.7%	2,275.8 - 4,215.2%
Total GMROI	28	674.0%	617.0 - 850.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES UNDER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	15	6.3%	0.3 - 16.1%
Average Transaction Size	14	$14.68	$11.33 - 19.25
Store Sales per Hour of Operation	17	$2,018	$1,480 - 2,980
Distribution of Sales:			
Grocery	15	49.1%	41.1 - 53.1%
Meat	15	15.6%	13.0 - 18.0%
Produce	15	9.1%	7.2 - 10.7%
General Merchandise/HaBA	15	3.9%	0.0 - 6.3%
Beer/Wine	15	0.8%	0.0 - 0.9%
Service Deli	15	4.5%	3.1 - 6.5%
Scratch/ Bake-Off Bakery	15	2.4%	0.9 - 3.3%
Frozen Food	15	4.7%	0.0 - 6.9%
Dairy	15	6.3%	0.0 - 9.4%
Other	15	3.5%	0.1 - 6.1%
Total	15	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	15	70.8%	68.3 - 76.1%
Meat	15	20.1%	17.1 - 22.5%
Produce	15	9.1%	7.2 - 10.7%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	15	21.8%	20.3 - 23.3%
Meat	15	24.9%	21.7 - 28.6%
Produce	14	31.4%	28.7 - 33.6%
Total Gross Margin	14	23.1%	22.1 - 25.9%
Operating Expenses:			
Store Labor:			
Regular	16	8.9%	7.9 - 10.3%
Benefits	16	1.7%	1.0 - 2.2%
Total Store Labor Expense	16	10.0%	9.6 - 12.6%
Advertising & Promotion	16	1.0%	0.4 - 1.7%
Occupancy (Excluding Utilities)	16	2.2%	1.3 - 2.9%
Utilities	16	1.1%	0.7 - 1.3%
Maintenance	16	0.6%	0.5 - 0.8%
Store Supplies	16	1.2%	1.0 - 1.4%
Interest	16	0.1%	0.0 - 0.5%
Other	16	3.0%	1.6 - 4.2%
Total Operating Expenses	16	20.8%	17.8 - 22.9%
Profit Before Tax	16	2.2%	0.9 - 2.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES UNDER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	13	$72.29	$64.71 - 92.49
Gross Margin per Labor Hour	11	$17.44	$14.27 - 23.78
Profit Before Tax per Labor Hour	11	$1.89	$1.13 - 2.56
Sales per Labor Dollar	16	$11.27	$9.71 - 12.62
Gross Margin per Labor Dollar	14	$2.49	$2.24 - 2.84
Transactions per Labor Hour	13	5.0	4.2 - 6.3
Payroll per Labor Hour	12	$7.02	$5.65 - 7.87
Benefits per Labor Hour	11	$1.45	$0.89 - 1.88
Payroll to Total Expenses	16	46.8%	40.2 - 51.6%
Benefits to Total Expenses	14	9.4%	5.8 - 11.4%
Payroll per Hour of Operation	16	$184.65	$123.13 - 283.25
Space Productivity			
Total Store Area:			
Average Square Footage	18	33,655	31,187 - 39,750
Weekly Sales per Square Foot	18	$6.21	$5.02 - 7.27
Weekly Gross Margin per Square Foot	14	$1.48	$1.15 - 1.74
Weekly Profit Before Tax per Sq Ft	14	$0.14	$0.08 - 0.22
Selling Area:			
Average Square Footage	18	24,900	22,250 - 26,000
Weekly Sales per Square Foot	18	$9.46	$7.61 - 11.85
Weekly Gross Margin per Square Foot	14	$2.34	$1.50 - 2.85
Weekly Profit Before Tax per Sq Ft	14	$0.21	$0.14 - 0.33
Average Weekly Sales per Store	18	$224,260	$179,189 - 273,777
Number of Checkouts	17	9	8 - 10
Weekly Sales per Checkout	17	$22,500	$19,487 - 27,940
Weekly Transactions per Checkout	14	1,527	1,207 - 2,126
Selling Square Footage per Checkout	17	2,750	2,175 - 2,889
Occupancy Cost (incl utilities) per Sq Ft	16	$10.45	$6.88 - 13.37
Occupancy Cost (incl util) to Total Expense	16	13.6%	11.3 - 18.8%
Transactions per Square Foot of Selling Area	14	0.57	0.52 - 0.75
Transactions per 1000 Selling Sq Ft per Hour	14	6.44	5.18 - 7.38
Percentage of Selling Area to Total Area	18	72.8%	65.0 - 77.8%
Inventory Dollars per Sq Ft of Selling Area	15	$18.61	$14.84 - 21.47

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES UNDER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	14	19.0%	17.5 - 20.8%
Meat	14	22.2%	20.5 - 25.1%
Produce	14	31.4%	28.7 - 33.6%
General Merchandise/HaBA	9	27.5%	24.9 - 30.7%
Beer/Wine	4	21.0%	
Service Deli	14	38.0%	34.1 - 43.2%
Scratch/Bake-Off Bakery	10	56.7%	47.7 - 63.6%
Frozen Food	9	25.5%	22.8 - 26.1%
Dairy	8	20.6%	19.6 - 22.2%
Other	9	30.7%	28.7 - 35.4%
Total Gross Margin	14	23.1%	22.1 - 25.9%
Annual Inventory Turnover:			
Grocery	14	18.3X	15.8 - 20.1X
Meat	14	48.8X	42.4 - 68.8X
Produce	14	52.9X	45.3 - 71.7X
General Merchandise/HaBA	9	6.3X	5.4 - 8.0X
Beer/Wine	4	8.5X	
Service Deli	14	29.5X	23.7 - 36.6X
Scratch/Bake-Off Bakery	9	20.4X	13.8 - 31.2X
Frozen Food	9	24.2X	20.5 - 28.2X
Dairy	8	48.9X	39.4 - 57.0X
Other	9	14.4X	8.3 - 17.5X
Total Inventory Turnover	14	22.5X	18.0 - 23.3X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	460.0%	393.3 - 513.8%
Meat	14	1,702.4%	1,057.0 - 2,189.7%
Produce	14	2,385.3%	2,041.3 - 3,148.6%
General Merchandise/HaBA	9	237.2%	223.4 - 272.5%
Beer/Wine	4	243.3%	
Service Deli	14	1,742.4%	1,283.9 - 2,123.2%
Scratch/Bake-Off Bakery	10	2,671.6%	2,510.5 - 3,428.3%
Frozen Food	9	725.5%	709.2 - 833.4%
Dairy	8	1,155.4%	953.6 - 1,548.6%
Other	9	602.8%	446.3 - 790.3%
Total GMROI	14	647.2%	600.7 - 808.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES UNDER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	15	70.8%	68.3 - 76.1%
Meat	15	20.1%	17.1 - 22.5%
Produce	15	9.1%	7.2 - 10.7%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	15	21.8%	20.3 - 23.3%
Meat	15	24.9%	21.7 - 28.6%
Produce	14	31.4%	28.7 - 33.6%
Total Gross Margin	14	23.1%	22.1 - 25.9%
Annual Inventory Turnover:			
Grocery	15	17.7X	14.7 - 19.5X
Meat	15	45.2X	39.2 - 51.9X
Produce	14	52.9X	45.3 - 71.7X
Total Inventory Turnover	14	22.5X	18.0 - 23.3X
Gross Margin Return on Inventory (GMROI):			
Grocery	15	486.5%	435.0 - 541.7%
Meat	15	1,513.3%	1,177.3 - 1,898.0%
Produce	14	2,385.3%	2,041.3 - 3,148.6%
Total GMROI	14	647.2%	600.7 - 808.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES OVER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	15	7.1%	4.3 - 10.9%
Average Transaction Size	16	$23.47	$17.96 - 27.60
Store Sales per Hour of Operation	16	$3,369	$2,848 - 4,528
Distribution of Sales:			
Grocery	15	46.7%	41.7 - 47.9%
Meat	15	14.4%	11.8 - 16.3%
Produce	15	7.8%	7.0 - 9.1%
General Merchandise/HaBA	15	6.6%	3.9 - 10.3%
Beer/Wine	15	1.4%	0.0 - 2.4%
Service Deli	15	5.5%	3.3 - 6.6%
Scratch/ Bake-Off Bakery	15	2.5%	1.4 - 3.6%
Frozen Food	15	5.0%	1.6 - 7.4%
Dairy	15	6.5%	2.4 - 9.8%
Other	15	3.7%	1.1 - 6.0%
Total	15	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	15	72.3%	68.6 - 77.1%
Meat	15	19.9%	16.0 - 22.0%
Produce	15	7.8%	7.0 - 9.1%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	15	21.1%	20.1 - 24.7%
Meat	15	26.5%	24.2 - 29.7%
Produce	14	31.6%	27.3 - 33.9%
Total Gross Margin	14	23.7%	21.9 - 26.5%
Operating Expenses:			
Store Labor:			
Regular	15	8.7%	8.2 - 9.6%
Benefits	15	2.0%	1.4 - 2.5%
Total Store Labor Expense	15	10.9%	9.7 - 11.7%
Advertising & Promotion	15	1.2%	1.0 - 2.2%
Occupancy (Excluding Utilities)	15	2.1%	1.3 - 2.9%
Utilities	15	0.8%	0.6 - 0.9%
Maintenance	15	0.6%	0.4 - 0.9%
Store Supplies	15	1.1%	0.9 - 1.4%
Interest	15	0.2%	0.0 - 0.4%
Other	15	3.1%	1.7 - 4.1%
Total Operating Expenses	15	20.1%	19.3 - 22.5%
Profit Before Tax	15	2.6%	1.7 - 4.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES OVER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	14	$96.68	$82.23 - 101.23
Gross Margin per Labor Hour	12	$22.00	$20.06 - 23.77
Profit Before Tax per Labor Hour	12	$3.00	$2.07 - 4.37
Sales per Labor Dollar	15	$11.45	$10.46 - 12.28
Gross Margin per Labor Dollar	14	$2.69	$2.56 - 2.89
Transactions per Labor Hour	14	3.8	3.6 - 4.6
Payroll per Labor Hour	13	$8.21	$6.74 - 9.02
Benefits per Labor Hour	13	$1.59	$1.20 - 2.26
Payroll to Total Expenses	15	41.9%	38.7 - 47.3%
Benefits to Total Expenses	15	9.4%	8.4 - 11.2%
Payroll per Hour of Operation	15	$281.90	$235.50 - 453.07
Space Productivity			
Total Store Area:			
Average Square Footage	16	44,000	39,557 - 50,250
Weekly Sales per Square Foot	16	$9.09	$7.63 - 10.99
Weekly Gross Margin per Square Foot	14	$2.28	$1.85 - 2.67
Weekly Profit Before Tax per Sq Ft	14	$0.34	$0.15 - 0.42
Selling Area:			
Average Square Footage	16	32,500	30,750 - 35,750
Weekly Sales per Square Foot	16	$11.62	$10.45 - 14.33
Weekly Gross Margin per Square Foot	14	$3.10	$2.64 - 3.58
Weekly Profit Before Tax per Sq Ft	14	$0.45	$0.20 - 0.51
Average Weekly Sales per Store	16	$402,007	$332,662 - 469,621
Number of Checkouts	16	13	12 - 14
Weekly Sales per Checkout	16	$31,091	$27,373 - 33,449
Weekly Transactions per Checkout	16	1,465	1,188 - 1,762
Selling Square Footage per Checkout	16	2,558	2,231 - 2,967
Occupancy Cost (incl utilities) per Sq Ft	15	$13.97	$10.21 - 18.23
Occupancy Cost (incl util) to Total Expense	15	16.8%	9.9 - 17.5%
Transactions per Square Foot of Selling Area	16	0.56	0.46 - 0.68
Transactions per 1000 Selling Sq Ft per Hour	16	4.83	4.39 - 6.03
Percentage of Selling Area to Total Area	16	74.1%	71.1 - 81.3%
Inventory Dollars per Sq Ft of Selling Area	15	$19.00	$16.62 - 23.89

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES OVER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	14	18.8%	17.2 - 20.5%
Meat	14	22.9%	20.5 - 24.6%
Produce	14	31.6%	27.3 - 33.9%
General Merchandise/HaBA	11	25.0%	23.0 - 30.0%
Beer/Wine	5	21.7%	
Service Deli	14	39.8%	36.4 - 44.3%
Scratch/Bake-Off Bakery	14	60.5%	44.5 - 63.2%
Frozen Food	10	25.5%	23.1 - 28.3%
Dairy	10	20.3%	16.1 - 21.9%
Other	11	28.8%	27.1 - 31.8%
Total Gross Margin	14	23.7%	21.9 - 26.5%
Annual Inventory Turnover:			
Grocery	13	23.0X	19.1 - 28.2X
Meat	13	78.8X	58.5 - 92.1X
Produce	13	82.3X	71.6 - 99.8X
General Merchandise/HaBA	10	9.0X	5.9 - 11.5X
Beer/Wine	5	9.2X	
Service Deli	13	30.7X	27.7 - 36.5X
Scratch/Bake-Off Bakery	13	18.5X	15.8 - 26.9X
Frozen Food	10	29.4X	23.5 - 35.4X
Dairy	10	44.7X	41.2 - 45.0X
Other	10	16.7X	11.1 - 49.1X
Total Inventory Turnover	14	26.0X	20.9 - 27.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	492.3%	445.0 - 592.6%
Meat	13	2,295.8%	1,378.8 - 2,925.4%
Produce	13	3,695.0%	2,568.7 - 4,263.7%
General Merchandise/HaBA	10	293.5%	252.8 - 343.5%
Beer/Wine	5	312.6%	
Service Deli	13	1,921.5%	1,832.8 - 2,686.8%
Scratch/Bake-Off Bakery	13	2,994.2%	1,985.0 - 3,358.0%
Frozen Food	10	1,124.5%	756.1 - 1,186.5%
Dairy	10	1,149.2%	921.1 - 1,188.6%
Other	10	795.1%	500.2 - 1,823.0%
Total GMROI	14	770.5%	634.2 - 992.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - WEEKLY SALES OVER $300,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	15	72.3%	68.6 - 77.1%
Meat	15	19.9%	16.0 - 22.0%
Produce	15	7.8%	7.0 - 9.1%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	15	21.1%	20.1 - 24.7%
Meat	15	26.5%	24.2 - 29.7%
Produce	14	31.6%	27.3 - 33.9%
Total Gross Margin	14	23.7%	21.9 - 26.5%
Annual Inventory Turnover:			
Grocery	13	20.7X	15.6 - 24.0X
Meat	13	59.1X	55.5 - 62.1X
Produce	13	82.3X	71.6 - 99.8X
Total Inventory Turnover	14	26.0X	20.9 - 27.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	536.5%	481.7 - 628.3%
Meat	13	2,132.3%	1,883.8 - 2,636.3%
Produce	13	3,695.0%	2,568.7 - 4,263.7%
Total GMROI	14	770.5%	634.2 - 992.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	14	6.3%	1.3 - 11.4%
Average Transaction Size	15	$22.33	$17.41 - 25.32
Store Sales per Hour of Operation	15	$3,042	$2,393 - 3,816
Distribution of Sales:			
Grocery	15	45.0%	40.9 - 46.1%
Meat	15	15.4%	12.5 - 18.0%
Produce	15	8.7%	7.5 - 10.7%
General Merchandise/HaBA	15	5.8%	2.1 - 9.2%
Beer/Wine	15	1.3%	0.0 - 2.6%
Service Deli	15	6.0%	4.3 - 6.9%
Scratch/ Bake-Off Bakery	15	2.7%	1.3 - 4.0%
Frozen Food	15	4.9%	1.2 - 7.1%
Dairy	15	6.2%	0.0 - 9.8%
Other	15	4.1%	0.3 - 6.9%
Total	15	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	15	70.0%	67.7 - 73.7%
Meat	15	21.3%	18.6 - 22.9%
Produce	15	8.7%	7.5 - 10.7%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	15	21.8%	20.6 - 24.7%
Meat	15	26.2%	23.7 - 30.4%
Produce	15	32.2%	27.8 - 34.6%
Total Gross Margin	15	23.5%	22.1 - 26.4%
Operating Expenses:			
Store Labor:			
Regular	15	9.0%	7.8 - 10.2%
Benefits	15	1.7%	1.4 - 2.3%
Total Store Labor Expense	15	10.9%	9.7 - 12.0%
Advertising & Promotion	15	1.0%	0.4 - 1.2%
Occupancy (Excluding Utilities)	15	2.2%	1.4 - 3.0%
Utilities	15	0.8%	0.6 - 0.8%
Maintenance	15	0.6%	0.4 - 0.8%
Store Supplies	15	1.1%	0.9 - 1.3%
Interest	15	0.2%	0.0 - 0.4%
Other	15	3.0%	2.0 - 3.6%
Total Operating Expenses	15	19.9%	18.4 - 21.5%
Profit Before Tax	15	3.3%	2.8 - 4.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	13	$99.71	$94.93 - 107.49
Gross Margin per Labor Hour	13	$23.13	$20.65 - 24.84
Profit Before Tax per Labor Hour	13	$3.06	$2.64 - 4.41
Sales per Labor Dollar	15	$11.13	$9.81 - 12.85
Gross Margin per Labor Dollar	15	$2.77	$2.51 - 2.93
Transactions per Labor Hour	13	4.3	3.8 - 5.0
Payroll per Labor Hour	13	$8.54	$7.06 - 9.05
Benefits per Labor Hour	13	$1.67	$1.16 - 2.03
Payroll to Total Expenses	15	45.4%	40.1 - 50.0%
Benefits to Total Expenses	15	10.0%	7.3 - 11.9%
Payroll per Hour of Operation	15	$273.27	$191.86 - 372.63
Space Productivity			
Total Store Area:			
Average Square Footage	15	40,243	32,579 - 44,000
Weekly Sales per Square Foot	15	$8.87	$6.63 - 9.94
Weekly Gross Margin per Square Foot	15	$2.09	$1.54 - 2.56
Weekly Profit Before Tax per Sq Ft	15	$0.35	$0.24 - 0.45
Selling Area:			
Average Square Footage	15	30,000	24,000 - 33,500
Weekly Sales per Square Foot	15	$11.81	$10.87 - 12.36
Weekly Gross Margin per Square Foot	15	$2.86	$2.55 - 3.38
Weekly Profit Before Tax per Sq Ft	15	$0.46	$0.35 - 0.55
Average Weekly Sales per Store	15	$333,762	$271,243 - 418,464
Number of Checkouts	15	12	10 - 13
Weekly Sales per Checkout	15	$29,584	$27,722 - 33,177
Weekly Transactions per Checkout	15	1,461	1,160 - 1,752
Selling Square Footage per Checkout	15	2,645	2,128 - 3,012
Occupancy Cost (incl utilities) per Sq Ft	15	$13.13	$10.21 - 17.91
Occupancy Cost (incl util) to Total Expense	15	16.8%	10.8 - 19.2%
Transactions per Square Foot of Selling Area	15	0.57	0.48 - 0.70
Transactions per 1000 Selling Sq Ft per Hour	15	5.37	4.65 - 6.03
Percentage of Selling Area to Total Area	15	73.3%	67.3 - 77.3%
Inventory Dollars per Sq Ft of Selling Area	15	$20.60	$17.56 - 24.26

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	15	18.7%	17.2 - 19.6%
Meat	15	22.9%	19.9 - 24.2%
Produce	15	32.2%	27.8 - 34.6%
General Merchandise/HaBA	12	27.0%	23.2 - 29.8%
Beer/Wine	5	21.7%	
Service Deli	15	37.7%	34.0 - 43.8%
Scratch/Bake-Off Bakery	13	58.8%	44.3 - 65.5%
Frozen Food	11	24.5%	22.1 - 26.6%
Dairy	10	19.4%	16.1 - 22.1%
Other	10	29.1%	28.5 - 31.3%
Total Gross Margin	15	23.5%	22.1 - 26.4%
Annual Inventory Turnover:			
Grocery	14	19.2X	17.7 - 24.9X
Meat	14	62.4X	47.5 - 90.9X
Produce	14	73.3X	51.6 - 102.8X
General Merchandise/HaBA	11	6.5X	5.3 - 8.1X
Beer/Wine	5	7.8X	
Service Deli	14	31.1X	28.5 - 37.2X
Scratch/Bake-Off Bakery	12	19.8X	15.3 - 29.2X
Frozen Food	11	28.6X	26.0 - 31.8X
Dairy	10	47.2X	42.3 - 58.9X
Other	9	15.0X	9.5 - 19.2X
Total Inventory Turnover	15	22.4X	18.3 - 26.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	468.9%	404.8 - 529.1%
Meat	14	1,537.2%	1,242.4 - 2,803.4%
Produce	14	3,771.9%	2,481.0 - 4,450.3%
General Merchandise/HaBA	11	236.3%	186.3 - 294.1%
Beer/Wine	5	234.4%	
Service Deli	14	2,114.2%	1,656.4 - 2,683.7%
Scratch/Bake-Off Bakery	13	2,994.2%	2,203.6 - 3,452.3%
Frozen Food	11	833.4%	725.3 - 1,166.0%
Dairy	10	1,158.7%	858.5 - 1,227.9%
Other	9	621.8%	477.2 - 904.8%
Total GMROI	15	687.0%	624.0 - 830.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	15	70.0%	67.7 - 73.7%
Meat	15	21.3%	18.6 - 22.9%
Produce	15	8.7%	7.5 - 10.7%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	15	21.8%	20.6 - 24.7%
Meat	15	26.2%	23.7 - 30.4%
Produce	15	32.2%	27.8 - 34.6%
Total Gross Margin	15	23.5%	22.1 - 26.4%
Annual Inventory Turnover:			
Grocery	14	18.1X	14.7 - 20.9X
Meat	14	53.9X	40.6 - 61.8X
Produce	14	73.3X	51.6 - 102.8X
Total Inventory Turnover	15	22.4X	18.3 - 26.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	484.4%	455.0 - 583.0%
Meat	14	1,852.9%	1,462.1 - 2,212.4%
Produce	14	3,771.9%	2,481.0 - 4,450.3%
Total GMROI	15	687.0%	624.0 - 830.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	15	8.1%	4.2 - 12.6%
Average Transaction Size	13	$13.29	$11.14 - 20.85
Store Sales per Hour of Operation	16	$2,395	$1,622 - 3,207
Distribution of Sales:			
Grocery	15	50.8%	42.2 - 56.6%
Meat	15	14.6%	12.4 - 16.9%
Produce	15	8.2%	6.5 - 8.6%
General Merchandise/HaBA	15	4.6%	0.0 - 7.3%
Beer/Wine	15	0.9%	0.0 - 0.9%
Service Deli	15	4.0%	2.7 - 4.5%
Scratch/ Bake-Off Bakery	15	2.3%	1.5 - 3.2%
Frozen Food	15	4.8%	0.0 - 7.4%
Dairy	15	6.6%	3.2 - 9.4%
Other	15	3.1%	0.3 - 5.0%
Total	15	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	15	73.1%	69.4 - 77.3%
Meat	15	18.7%	15.3 - 21.8%
Produce	15	8.2%	6.5 - 8.6%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	15	21.1%	18.5 - 23.5%
Meat	15	25.5%	21.7 - 28.5%
Produce	13	30.7%	28.8 - 32.9%
Total Gross Margin	13	22.6%	22.1 - 26.4%
Operating Expenses:			
Store Labor:			
Regular	16	8.8%	8.0 - 9.8%
Benefits	16	1.7%	1.1 - 2.3%
Total Store Labor Expense	16	10.9%	9.1 - 12.1%
Advertising & Promotion	16	1.5%	1.0 - 2.7%
Occupancy (Excluding Utilities)	16	2.0%	1.2 - 2.4%
Utilities	16	1.1%	0.8 - 1.3%
Maintenance	16	0.6%	0.5 - 0.8%
Store Supplies	16	1.3%	1.0 - 1.5%
Interest	16	0.1%	0.1 - 0.4%
Other	16	3.6%	1.3 - 4.5%
Total Operating Expenses	16	21.7%	18.5 - 24.2%
Profit Before Tax	16	1.2%	0.0 - 2.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	12	$69.17	$63.22 - 81.96
Gross Margin per Labor Hour	10	$16.83	$13.36 - 20.06
Profit Before Tax per Labor Hour	10	$0.87	-$0.15 - 1.58
Sales per Labor Dollar	16	$11.38	$10.20 - 12.50
Gross Margin per Labor Dollar	13	$2.55	$2.28 - 2.75
Transactions per Labor Hour	12	4.8	3.6 - 6.3
Payroll per Labor Hour	12	$5.97	$5.65 - 7.78
Benefits per Labor Hour	11	$1.54	$0.93 - 1.91
Payroll to Total Expenses	16	42.6%	38.5 - 48.7%
Benefits to Total Expenses	14	9.2%	5.9 - 10.5%
Payroll per Hour of Operation	16	$200.13	$123.13 - 329.91
Space Productivity			
Total Store Area:			
Average Square Footage	16	40,000	32,425 - 47,925
Weekly Sales per Square Foot	16	$6.38	$5.08 - 8.92
Weekly Gross Margin per Square Foot	13	$1.63	$1.07 - 1.88
Weekly Profit Before Tax per Sq Ft	13	$0.11	$0.01 - 0.14
Selling Area:			
Average Square Footage	16	26,700	24,600 - 31,750
Weekly Sales per Square Foot	16	$10.18	$7.30 - 12.85
Weekly Gross Margin per Square Foot	13	$2.35	$1.43 - 3.26
Weekly Profit Before Tax per Sq Ft	13	$0.16	$0.01 - 0.18
Average Weekly Sales per Store	16	$282,176	$183,065 - 339,084
Number of Checkouts	16	10	9 - 13
Weekly Sales per Checkout	16	$24,329	$19,240 - 29,840
Weekly Transactions per Checkout	13	1,615	1,215 - 2,154
Selling Square Footage per Checkout	16	2,625	2,137 - 2,904
Occupancy Cost (incl utilities) per Sq Ft	16	$10.23	$8.69 - 14.55
Occupancy Cost (incl util) to Total Expense	16	13.6%	10.7 - 17.5%
Transactions per Square Foot of Selling Area	13	0.68	0.49 - 0.74
Transactions per 1000 Selling Sq Ft per Hour	13	6.20	4.62 - 7.28
Percentage of Selling Area to Total Area	16	73.0%	67.6 - 77.3%
Inventory Dollars per Sq Ft of Selling Area	14	$16.62	$14.69 - 20.41

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	13	19.9%	17.3 - 20.8%
Meat	13	22.7%	21.2 - 27.0%
Produce	13	30.7%	28.8 - 32.9%
General Merchandise/HaBA	8	24.9%	23.5 - 31.4%
Beer/Wine	4	21.5%	
Service Deli	13	38.3%	37.4 - 43.9%
Scratch/Bake-Off Bakery	11	56.7%	45.0 - 62.6%
Frozen Food	8	25.8%	25.2 - 27.2%
Dairy	8	21.3%	20.1 - 21.9%
Other	10	32.4%	24.4 - 38.1%
Total Gross Margin	13	22.6%	22.1 - 26.4%
Annual Inventory Turnover:			
Grocery	13	19.9X	15.9 - 28.2X
Meat	13	62.1X	45.4 - 78.8X
Produce	13	59.8X	46.0 - 82.3X
General Merchandise/HaBA	8	8.5X	6.1 - 10.2X
Beer/Wine	4	11.4X	
Service Deli	13	26.4X	20.4 - 33.4X
Scratch/Bake-Off Bakery	10	19.4X	11.3 - 25.3X
Frozen Food	8	23.4X	19.7 - 26.0X
Dairy	8	42.9X	40.3 - 45.7X
Other	10	14.3X	10.8 - 21.2X
Total Inventory Turnover	13	23.2X	18.8 - 26.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	462.7%	413.4 - 592.6%
Meat	13	2,069.3%	1,001.6 - 2,295.8%
Produce	13	2,409.9%	2,212.8 - 3,324.8%
General Merchandise/HaBA	8	285.8%	272.4 - 324.5%
Beer/Wine	4	310.6%	
Service Deli	13	1,832.8%	1,423.1 - 1,912.5%
Scratch/Bake-Off Bakery	10	2,664.2%	2,155.9 - 2,972.8%
Frozen Food	8	756.6%	703.3 - 912.9%
Dairy	8	1,108.5%	974.4 - 1,428.7%
Other	10	644.1%	465.3 - 880.4%
Total GMROI	13	661.0%	601.2 - 849.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	15	73.1%	69.4 - 77.3%
Meat	15	18.7%	15.3 - 21.8%
Produce	15	8.2%	6.5 - 8.6%
Total Sales	15	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	15	21.1%	18.5 - 23.5%
Meat	15	25.5%	21.7 - 28.5%
Produce	13	30.7%	28.8 - 32.9%
Total Gross Margin	13	22.6%	22.1 - 26.4%
Annual Inventory Turnover:			
Grocery	14	19.5X	15.4 - 23.0X
Meat	14	48.3X	41.1 - 59.1X
Produce	13	59.8X	46.0 - 82.3X
Total Inventory Turnover	13	23.2X	18.8 - 26.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	522.6%	475.1 - 618.1%
Meat	14	1,858.6%	1,082.2 - 2,141.0%
Produce	13	2,409.9%	2,212.8 - 3,324.8%
Total GMROI	13	661.0%	601.2 - 849.6%

Superette Stores

Overview of Performance--Superettes

In 1987, the typical superette store had weekly sales over $27,000 and a net profit before tax of 0.6%. Additional highlights of the superette stores' 1987 performance include:

- Sales per labor hour were over $67.00 with an average transaction of $6.63.
- Over 80% of the total store area is used for selling space. The typical superette reported 6,000 square feet of selling area and 7,350 square feet of total area.
- Typical inventory turnover reported at nearly 11 times and a gross profit margin of nearly 21.0%. GMROI was nearly 320% for the typical store.
- Total labor expenses absorbed 10% of sales while total operating expenses were reported at 19%.

The following table highlights key ratio performance and five year comparisons for all superette store respondents participating in the FMI **Operating Results of Independent Supermarkets**.

All Responding Superette Store Operators
1983--1987

	1987	1986	1985	1984	1983
SALES DATA					
Average Weekly Sales per Store	$27,065	$30,054	$27,212	$28,846	$26,785
Sales per Labor Hour	$67.31	$67.66	$67.82	$76.18	$61.72
Average Transaction Size	$6.63	$6.85	$7.26	$7.01	$8.01
SPACE DATA					
Total Store Area (square feet)	7,350	6,000	6,000	7,500	7,075
Selling Area (square feet)	6,000	5,000	4,500	5,250	5,100
Weekly Sales per Sq. ft. of Selling Area	$4.46	$4.73	$5.84	$5.16	$4.78
INVENTORY DATA					
Inventory Turnover (times)	10.8x	11.9x	13.4x	12.1x	13.2x
Gross Profit Margin	20.9%	20.3%	20.9%	20.8%	20.0%
GMROI	317.9%	306.8%	357.5%	339.2%	326.0%
PROFIT DATA					
Net Profit Margin Before Tax	0.6%	0.8%	1.5%	1.6%	1.4%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	19.1%	19.6%	20.4%	19.1%	19.3%
Store Labor Expense:					
Direct/Regular	9.1%	9.0%	8.2%	8.6%	8.5%
Fringe Benefits	0.7%	1.2%	1.0%	1.3%	1.1%

Superette Stores--Winners vs. Losers in 1987

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1987 high performance stores exhibited:

- Significantly higher sales growth (2.6% versus 0.6%) and higher sales per hour of operation ($337 versus $299); however, the lower profit stores had a higher average transaction size at $7.51 to the $6.22 for the most profitable group.

- Labor expenses were slightly lower (9.9% versus 10.1% for the least profitable group) and overall operating expenses were significantly less (17.9% of sales versus 20.7%). A key element here was very low occupancy expense.

- More productive inventory with a GMROI of 350.5% compared to 311.8% for the least profitable group, however, inventory turnover was less (10.5 versus 11.4 times) while gross margin was much higher (21.8% versus 20.4%).

Expense control and a strong gross margin performance differentiate the most profitable versus least profitable in the following income statements.

1987 Summary Income Statement (Numbers Expressed as a % of Total Sales)		
	Most Profitable Stores	**Least Profitable Stores**
Sales:		
Grocery	74.8%	76.8%
Meat	20.4	16.8
Produce	4.8	6.4
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	20.7%	20.2%
Meat	25.5	18.4
Produce	28.1	27.9
Total Gross Margin	21.1	20.4
Operating Expenses:		
Store Labor:		
Regular	9.4	9.1
Benefits	0.7	1.1
Total Store Labor Expense	9.9	10.1
Advertising & Promotion	0.9	1.1
Occupancy (Excluding Utilities)	1.1	2.4
Utilities	1.7	1.8
Maintenance	0.4	0.5
Store Supplies	1.0	0.9
Interest	0.1	0.4
Other	2.7	1.7
Total Operating Expenses	17.9	20.7
Profit Before Tax	2.2	-0.5

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	18	2.4%	-4.5 - 5.8%
Average Transaction Size	17	$6.63	$5.25 - 8.66
Store Sales per Hour of Operation	19	$299	$245 - 403
Distribution of Sales:			
Grocery	17	66.8%	53.8 - 76.2%
Meat	17	16.6%	14.5 - 18.1%
Produce	17	5.5%	4.1 - 7.1%
General Merchandise/HaBA	17	1.8%	0.0 - 2.4%
Beer/Wine	17	1.4%	0.0 - 2.9%
Service Deli	17	2.1%	0.0 - 0.9%
Scratch/ Bake-Off Bakery	17	0.0%	0.0 - 0.0%
Frozen Food	17	1.0%	0.0 - 1.9%
Dairy	17	2.9%	0.0 - 5.5%
Other	17	1.8%	0.0 - 0.0%
Total	17	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	17	75.8%	73.5 - 77.9%
Meat	17	18.7%	15.6 - 22.2%
Produce	17	5.5%	4.1 - 7.1%
Total Sales	17	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	17	20.6%	19.4 - 22.7%
Meat	16	20.4%	18.2 - 25.7%
Produce	15	28.1%	22.1 - 30.1%
Total Gross Margin	17	20.9%	19.2 - 23.7%
Operating Expenses:			
Store Labor:			
Regular	18	9.1%	8.7 - 9.7%
Benefits	18	0.7%	0.4 - 1.1%
Total Store Labor Expense	18	10.0%	9.3 - 11.3%
Advertising & Promotion	18	1.1%	0.7 - 1.6%
Occupancy (Excluding Utilities)	18	1.5%	1.1 - 2.4%
Utilities	18	1.7%	1.4 - 2.1%
Maintenance	18	0.5%	0.4 - 0.7%
Store Supplies	18	0.9%	0.8 - 1.1%
Interest	18	0.2%	0.0 - 0.6%
Other	18	1.8%	0.7 - 2.8%
Total Operating Expenses	18	19.1%	17.7 - 22.7%
Profit Before Tax	18	0.6%	-0.4 - 2.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	19	$67.31	$61.25 - 78.05
Gross Margin per Labor Hour	17	$14.26	$12.14 - 16.79
Profit Before Tax per Labor Hour	17	$0.59	-$0.54 - 1.58
Sales per Labor Dollar	18	$10.95	$10.37 - 11.50
Gross Margin per Labor Dollar	17	$2.18	$1.98 - 2.59
Transactions per Labor Hour	17	10.9	8.3 - 13.4
Payroll per Labor Hour	17	$5.97	$5.36 - 7.21
Benefits per Labor Hour	15	$0.59	$0.49 - 0.95
Payroll to Total Expenses	18	47.6%	41.0 - 52.8%
Benefits to Total Expenses	16	4.5%	3.1 - 10.2%
Payroll per Hour of Operation	17	$28.47	$22.23 - 36.13
Space Productivity			
Total Store Area:			
Average Square Footage	20	7,350	4,975 - 8,950
Weekly Sales per Square Foot	20	$3.84	$2.91 - 4.95
Weekly Gross Margin per Square Foot	17	$0.85	$0.59 - 0.94
Weekly Profit Before Tax per Sq Ft	17	$0.02	-$0.02 - 0.09
Selling Area:			
Average Square Footage	20	6,000	3,425 - 7,625
Weekly Sales per Square Foot	20	$4.46	$3.82 - 6.49
Weekly Gross Margin per Square Foot	17	$1.00	$0.79 - 1.26
Weekly Profit Before Tax per Sq Ft	17	$0.04	-$0.02 - 0.13
Average Weekly Sales per Store	20	$27,065	$21,456 - 34,995
Number of Checkouts	20	3	2 - 3
Weekly Sales per Checkout	20	$8,943	$7,614 - 11,665
Weekly Transactions per Checkout	17	1,400	1,287 - 1,700
Selling Square Footage per Checkout	20	1,950	1,500 - 2,500
Occupancy Cost (incl utilities) per Sq Ft	18	$6.59	$4.86 - 8.98
Occupancy Cost (incl util) to Total Expense	18	17.8%	13.5 - 21.5%
Transactions per Square Foot of Selling Area	17	0.69	0.51 - 0.85
Transactions per 1000 Selling Sq Ft per Hour	17	7.29	5.71 - 12.56
Percentage of Selling Area to Total Area	20	81.7%	71.5 - 86.7%
Inventory Dollars per Sq Ft of Selling Area	18	$16.68	$13.65 - 20.96

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	16	20.9%	20.0 - 23.0%
Meat	16	19.5%	17.5 - 21.6%
Produce	15	28.1%	22.1 - 30.1%
General Merchandise/HaBA	6	25.3%	
Beer/Wine	3	20.0%	
Service Deli	5	40.4%	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	4	29.6%	
Dairy	4	20.0%	
Other	2	INSUFFICIENT DATA	
Total Gross Margin	17	20.9%	19.2 - 23.7%
Annual Inventory Turnover:			
Grocery	16	8.9X	7.8 - 13.4X
Meat	16	33.8X	25.8 - 39.6X
Produce	15	48.6X	42.0 - 79.3X
General Merchandise/HaBA	6	3.2X	
Beer/Wine	3	28.2X	
Service Deli	4	22.5X	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	4	14.3X	
Dairy	4	41.2X	
Other	2	INSUFFICIENT DATA	
Total Inventory Turnover	17	10.8X	10.2 - 18.0X
Gross Margin Return on Inventory (GMROI):			
Grocery	16	265.0%	193.7 - 333.9%
Meat	16	808.6%	552.7 - 1,227.9%
Produce	15	1,733.6%	1,326.0 - 3,217.8%
General Merchandise/HaBA	6	134.1%	
Beer/Wine	3	703.7%	
Service Deli	4	1,249.1%	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	4	767.7%	
Dairy	4	1,017.7%	
Other	2	INSUFFICIENT DATA	
Total GMROI	17	317.9%	237.5 - 443.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	17	75.8%	73.5 - 77.9%
Meat	17	18.7%	15.6 - 22.2%
Produce	17	5.5%	4.1 - 7.1%
Total Sales	17	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	17	20.6%	19.4 - 22.7%
Meat	16	20.4%	18.2 - 25.7%
Produce	15	28.1%	22.1 - 30.1%
Total Gross Margin	17	20.9%	19.2 - 23.7%
Annual Inventory Turnover:			
Grocery	17	9.4X	8.2 - 13.2X
Meat	16	33.4X	25.2 - 40.8X
Produce	15	48.6X	42.0 - 79.3X
Total Inventory Turnover	17	10.8X	10.2 - 18.0X
Gross Margin Return on Inventory (GMROI):			
Grocery	18	238.0%	175.6 - 302.9%
Meat	17	880.8%	551.4 - 1,608.9%
Produce	15	1,733.6%	1,326.0 - 3,217.8%
Total GMROI	17	317.9%	237.5 - 443.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	8	2.6%	0.0 - 4.8%
Average Transaction Size	9	$6.22	$5.25 - 7.82
Store Sales per Hour of Operation	9	$299	$245 - 393
Distribution of Sales:			
Grocery	9	67.3%	53.7 - 76.2%
Meat	9	16.5%	14.5 - 19.1%
Produce	9	4.8%	3.9 - 5.2%
General Merchandise/HaBA	9	0.9%	0.0 - 1.5%
Beer/Wine	9	1.1%	0.0 - 0.0%
Service Deli	9	3.9%	0.0 - 7.8%
Scratch/ Bake-Off Bakery	9	0.0%	0.0 - 0.0%
Frozen Food	9	1.0%	0.0 - 1.9%
Dairy	9	2.8%	0.0 - 4.2%
Other	9	1.8%	0.0 - 0.0%
Total	9	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	9	74.8%	72.9 - 76.2%
Meat	9	20.4%	19.1 - 22.3%
Produce	9	4.8%	3.9 - 5.2%
Total Sales	9	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	9	20.7%	19.7 - 22.8%
Meat	9	25.5%	20.3 - 26.7%
Produce	9	28.1%	20.0 - 30.0%
Total Gross Margin	9	21.8%	20.1 - 24.0%
Operating Expenses:			
Store Labor:			
Regular	9	9.4%	8.2 - 9.5%
Benefits	9	0.7%	0.3 - 0.7%
Total Store Labor Expense	9	9.9%	8.5 - 11.3%
Advertising & Promotion	9	0.9%	0.6 - 1.6%
Occupancy (Excluding Utilities)	9	1.1%	0.7 - 1.2%
Utilities	9	1.7%	1.3 - 1.9%
Maintenance	9	0.4%	0.4 - 0.5%
Store Supplies	9	1.0%	0.9 - 1.3%
Interest	9	0.1%	0.0 - 0.2%
Other	9	2.7%	0.6 - 4.9%
Total Operating Expenses	9	17.9%	17.2 - 22.6%
Profit Before Tax	9	2.2%	1.4 - 5.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	9	$67.98	$61.26 - 75.06
Gross Margin per Labor Hour	9	$13.64	$12.80 - 16.08
Profit Before Tax per Labor Hour	9	$1.58	$0.83 - 2.58
Sales per Labor Dollar	9	$10.69	$10.56 - 12.19
Gross Margin per Labor Dollar	9	$2.33	$2.14 - 2.93
Transactions per Labor Hour	9	11.2	8.6 - 11.7
Payroll per Labor Hour	9	$5.80	$5.36 - 6.17
Benefits per Labor Hour	7	$0.50	
Payroll to Total Expenses	9	51.7%	40.4 - 55.1%
Benefits to Total Expenses	7	4.0%	
Payroll per Hour of Operation	9	$28.47	$20.90 - 34.92
Space Productivity			
Total Store Area:			
Average Square Footage	9	7,500	4,900 - 8,040
Weekly Sales per Square Foot	9	$4.26	$2.94 - 4.99
Weekly Gross Margin per Square Foot	9	$0.79	$0.59 - 0.94
Weekly Profit Before Tax per Sq Ft	9	$0.09	$0.06 - 0.22
Selling Area:			
Average Square Footage	9	7,000	3,200 - 7,500
Weekly Sales per Square Foot	9	$4.47	$3.39 - 5.99
Weekly Gross Margin per Square Foot	9	$0.91	$0.79 - 1.06
Weekly Profit Before Tax per Sq Ft	9	$0.13	$0.06 - 0.25
Average Weekly Sales per Store	9	$31,980	$22,969 - 34,689
Number of Checkouts	9	3	2 - 3
Weekly Sales per Checkout	9	$10,577	$7,656 - 11,563
Weekly Transactions per Checkout	9	1,700	1,287 - 2,784
Selling Square Footage per Checkout	9	2,333	1,600 - 2,500
Occupancy Cost (incl utilities) per Sq Ft	9	$4.89	$4.76 - 7.13
Occupancy Cost (incl util) to Total Expense	9	14.5%	12.7 - 17.6%
Transactions per Square Foot of Selling Area	9	0.77	0.51 - 1.69
Transactions per 1000 Selling Sq Ft per Hour	9	7.91	6.20 - 18.22
Percentage of Selling Area to Total Area	9	83.3%	72.0 - 89.7%
Inventory Dollars per Sq Ft of Selling Area	9	$16.13	$11.90 - 21.08

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	9	21.2%	20.6 - 23.0%
Meat	9	20.3%	19.1 - 23.0%
Produce	9	28.1%	20.0 - 30.0%
General Merchandise/HaBA	4	25.1%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	4	39.2%	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	3	35.0%	
Dairy	3	20.0%	
Other	1	INSUFFICIENT DATA	
Total Gross Margin	9	21.8%	20.1 - 24.0%
Annual Inventory Turnover:			
Grocery	9	8.8X	8.2 - 15.2X
Meat	9	35.5X	29.8 - 43.1X
Produce	9	73.6X	42.5 - 82.8X
General Merchandise/HaBA	4	4.0X	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	3	27.8X	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	3	15.6X	
Dairy	3	42.7X	
Other	1	INSUFFICIENT DATA	
Total Inventory Turnover	9	10.5X	10.2 - 19.0X
Gross Margin Return on Inventory (GMROI):			
Grocery	9	268.8%	182.6 - 453.6%
Meat	9	894.9%	636.9 - 1,288.0%
Produce	9	2,794.2%	1,249.7 - 3,281.2%
General Merchandise/HaBA	4	134.1%	
Beer/Wine	2	INSUFFICIENT DATA	
Service Deli	3	1,308.4%	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	3	839.1%	
Dairy	3	1,068.1%	
Other	1	INSUFFICIENT DATA	
Total GMROI	9	350.5%	227.4 - 600.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	9	74.8%	72.9 - 76.2%
Meat	9	20.4%	19.1 - 22.3%
Produce	9	4.8%	3.9 - 5.2%
Total Sales	9	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	9	20.7%	19.7 - 22.8%
Meat	9	25.5%	20.3 - 26.7%
Produce	9	28.1%	20.0 - 30.0%
Total Gross Margin	9	21.8%	20.1 - 24.0%
Annual Inventory Turnover:			
Grocery	9	8.8X	8.2 - 16.3X
Meat	9	35.2X	26.0 - 42.1X
Produce	9	73.6X	42.5 - 82.8X
Total Inventory Turnover	9	10.5X	10.2 - 19.0X
Gross Margin Return on Inventory (GMROI):			
Grocery	9	262.1%	182.6 - 480.2%
Meat	9	1,246.1%	767.8 - 1,618.4%
Produce	9	2,794.2%	1,249.7 - 3,281.2%
Total GMROI	9	350.5%	227.4 - 600.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	8	0.6%	-3.6 - 7.2%
Average Transaction Size	6	$7.51	
Store Sales per Hour of Operation	8	$337	$250 - 407
Distribution of Sales:			
Grocery	8	66.3%	58.5 - 72.3%
Meat	8	16.7%	14.5 - 17.3%
Produce	8	6.4%	4.8 - 7.8%
General Merchandise/HaBA	8	2.8%	0.0 - 4.6%
Beer/Wine	8	1.7%	0.0 - 3.0%
Service Deli	8	0.1%	0.0 - 0.0%
Scratch/ Bake-Off Bakery	8	0.0%	0.0 - 0.0%
Frozen Food	8	1.1%	0.0 - 1.1%
Dairy	8	3.0%	0.0 - 5.9%
Other	8	1.9%	0.0 - 0.0%
Total	8	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	8	76.8%	75.4 - 80.3%
Meat	8	16.8%	14.7 - 17.3%
Produce	8	6.4%	4.8 - 7.8%
Total Sales	8	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	8	20.2%	19.3 - 21.6%
Meat	7	18.4%	
Produce	6	27.9%	
Total Gross Margin	8	20.4%	19.1 - 21.5%
Operating Expenses:			
Store Labor:	9	9.1%	8.7 - 9.7%
Regular	9	1.1%	0.7 - 2.1%
Benefits	9	10.1%	9.5 - 12.3%
Total Store Labor Expense	9	1.1%	1.0 - 1.4%
Advertising & Promotion	9	2.4%	2.2 - 2.7%
Occupancy (Excluding Utilities)	9	1.8%	1.4 - 2.6%
Utilities	9	0.5%	0.4 - 1.2%
Maintenance	9	0.9%	0.6 - 1.0%
Store Supplies	9	0.4%	0.0 - 0.6%
Interest	9	1.7%	0.9 - 2.2%
Other	9	20.7%	19.0 - 22.8%
Total Operating Expenses	9	-0.5%	-0.9 - -0.2%
Profit Before Tax			

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	8	$71.89	$59.64 - 87.62
Gross Margin per Labor Hour	8	$14.48	$11.73 - 18.53
Profit Before Tax per Labor Hour	8	-$0.54	-$0.77 - -0.19
Sales per Labor Dollar	9	$11.02	$10.30 - 11.44
Gross Margin per Labor Dollar	8	$2.10	$1.92 - 2.21
Transactions per Labor Hour	6	11.5	
Payroll per Labor Hour	8	$7.23	$5.49 - 8.82
Benefits per Labor Hour	8	$0.69	$0.56 - 1.61
Payroll to Total Expenses	9	47.4%	42.5 - 49.0%
Benefits to Total Expenses	9	5.6%	3.2 - 10.3%
Payroll per Hour of Operation	8	$30.19	$23.40 - 40.71
Space Productivity			
Total Store Area:			
Average Square Footage	9	7,200	5,200 - 8,600
Weekly Sales per Square Foot	9	$3.85	$3.34 - 4.94
Weekly Gross Margin per Square Foot	8	$0.86	$0.69 - 0.95
Weekly Profit Before Tax per Sq Ft	8	-$0.02	-$0.04 - -0.01
Selling Area:			
Average Square Footage	9	6,000	3,500 - 8,000
Weekly Sales per Square Foot	9	$4.53	$3.87 - 7.98
Weekly Gross Margin per Square Foot	8	$1.01	$0.92 - 1.33
Weekly Profit Before Tax per Sq Ft	8	-$0.03	-$0.06 - -0.02
Average Weekly Sales per Store	9	$26,454	$22,546 - 35,913
Number of Checkouts	9	3	3 - 3
Weekly Sales per Checkout	9	$8,565	$7,347 - 9,069
Weekly Transactions per Checkout	6	1,344	
Selling Square Footage per Checkout	9	1,750	1,500 - 2,000
Occupancy Cost (incl utilities) per Sq Ft	9	$8.67	$6.04 - 15.08
Occupancy Cost (incl util) to Total Expense	9	21.1%	18.1 - 22.1%
Transactions per Square Foot of Selling Area	6	0.64	
Transactions per 1000 Selling Sq Ft per Hour	6	7.33	
Percentage of Selling Area to Total Area	9	80.0%	75.0 - 86.4%
Inventory Dollars per Sq Ft of Selling Area	9	$17.08	$14.63 - 20.59

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	7	20.4%	
Meat	7	18.4%	
Produce	6	27.9%	
General Merchandise/HaBA	2	INSUFFICIENT DATA	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	1	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	1	INSUFFICIENT DATA	
Dairy	1	INSUFFICIENT DATA	
Other	1	INSUFFICIENT DATA	
Total Gross Margin	8	20.4%	19.1 - 21.5%
Annual Inventory Turnover:			
Grocery	7	9.0X	
Meat	7	30.9X	
Produce	6	46.2X	
General Merchandise/HaBA	2	INSUFFICIENT DATA	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	1	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	1	INSUFFICIENT DATA	
Dairy	1	INSUFFICIENT DATA	
Other	1	INSUFFICIENT DATA	
Total Inventory Turnover	8	11.4X	10.2 - 14.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	7	261.2%	
Meat	7	551.4%	
Produce	6	1,630.6%	
General Merchandise/HaBA	2	INSUFFICIENT DATA	
Beer/Wine	1	INSUFFICIENT DATA	
Service Deli	1	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	1	INSUFFICIENT DATA	
Dairy	1	INSUFFICIENT DATA	
Other	1	INSUFFICIENT DATA	
Total GMROI	8	311.8%	251.2 - 350.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	8	76.8%	75.4 - 80.3%
Meat	8	16.8%	14.7 - 17.3%
Produce	8	6.4%	4.8 - 7.8%
Total Sales	8	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	8	20.2%	19.3 - 21.6%
Meat	7	18.4%	
Produce	6	27.9%	
Total Gross Margin	8	20.4%	19.1 - 21.5%
Annual Inventory Turnover:			
Grocery	8	9.8X	8.3 - 11.7X
Meat	7	30.9X	
Produce	6	46.2X	
Total Inventory Turnover	8	11.4X	10.2 - 14.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	9	225.7%	150.6 - 273.8%
Meat	8	536.6%	474.9 - 937.1%
Produce	6	1,630.6%	
Total GMROI	8	311.8%	251.2 - 350.0%

Warehouse Stores

Overview of Performance--Warehouse Stores

Warehouse stores had the lowest total operating expense reported by any of the store formats in this study, just over 15% of total sales. Labor expense absorbed only 7.4% of sales. In addition to good expense control, additional performance highlights include:

- Strong inventory turnover reported at 25 times and an overall gross profit margin of 16.5%.
- Net profit before tax was 1.1%.
- The average transaction size was nearly $18 while typical sales per labor hour were reported at $113.
- Nearly 82% of the total store is used as selling area, while the typical store reported a total store area of 31,000 square feet.

The following table highlights key ratios and the five year comparatives for all responding warehouse store operators to the FMI **Operating Results of Independent Supermarkets**.

All Responding Warehouse Store Operators
1983--1987

	1987	1986	1985	1984	1983
SALES DATA					
Average Weekly Sales per Store	$194,719	$295,346	$248,835	$141,668	$141,879
Sales per Labor Hour	$113.03	$116.06	$102.71	$147.32	$152.59
Average Transaction Size	$17.74	$21.64	$18.88	$20.18	$22.21
SPACE DATA					
Total Store Area (square feet)	31,000	37,192	31,500	26,000	27,180
Selling Area (square feet)	25,000	28,000	24,500	20,000	19,000
Weekly Sales per Sq. ft. of Selling Area	$7.21	$10.38	$10.07	$6.47	$7.22
INVENTORY DATA					
Inventory Turnover (times)	24.9x	24.3x	25.4x	21.5x	20.1x
Gross Profit Margin	16.5%	15.9%	17.3%	16.8%	15.1%
GMROI	471.8%	488.3%	532.7%	404.3%	404.4%
PROFIT DATA					
Net Profit Margin Before Tax	1.1%	1.3%	1.3%	2.1%	1.9%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	15.4%	14.9%	14.6%	15.4%	14.1%
Store Labor Expense:					
Direct/Regular	6.2%	5.8%	6.5%	5.4%	5.9%
Fringe Benefits	1.1%	1.2%	1.2%	1.3%	1.1%

Warehouse Stores--Winners vs. Losers in 1987

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1987 high performance stores exhibited:

- An outstanding space utilization as measured by both weekly sales per square foot of selling area and gross margin per square foot of selling area (both of which were over 50% higher for the profit leaders).

- Much higher inventory productivity. Inventory turnover was significantly higher (26 versus 17 times); gross margin was higher (17.6% versus 16.0%) and GMROI was outstandingly higher (542.4% versus 315.5%).

- Higher sales per labor hour ($115.12 versus $111.74) and significantly higher average transaction size ($20.50 versus $17.44); however, lower overall sales growth reported at 5.4% for the most profitable group versus the 12.7% of the least profitable group.

- Slightly less over all expenses as a percentage of sales (15.2% versus 15.4%).

One way of revealing differences between the high and low profit stores is to examine the income statement performance of the two groups. The most profitable stores clearly controlled expenses better than their counterparts reporting lower costs relative to sales in nearly every category. This coupled with the strong space and inventory productivity levels achieved by the most profitable stores clearly indicates the success of the "winners."

1987 Summary Income Statement (Numbers Expressed as a % of Total Sales)		
	Most Profitable Stores	**Least Profitable Stores**
Sales:		
Grocery	72.8%	75.8%
Meat	19.5	17.3
Produce	7.6	6.9
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	15.1%	13.9%
Meat	21.6	20.7
Produce	24.6	24.3
Total Gross Margin	17.6	16.0
Operating Expenses:		
Store Labor:		
Regular	6.0	6.6
Benefits	1.2	1.1
Total Store Labor Expense	7.0	7.2
Advertising & Promotion	0.6	0.8
Occupancy (Excluding Utilities)	1.7	2.2
Utilities	0.9	0.8
Maintenance	0.5	0.4
Store Supplies	0.9	1.0
Interest	0.2	0.5
Other	2.2	2.3
Total Operating Expenses	15.2	15.4
Profit Before Tax	2.4	0.5

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	20	10.2%	4.6 - 21.4%
Average Transaction Size	22	$17.74	$15.34 - 23.28
Store Sales per Hour of Operation	22	$1,549	$939 - 2,237
Distribution of Sales:			
Grocery	20	56.8%	49.9 - 63.1%
Meat	20	16.6%	14.0 - 17.5%
Produce	20	7.2%	6.3 - 8.0%
General Merchandise/HaBA	20	3.6%	1.1 - 5.3%
Beer/Wine	20	0.9%	0.0 - 1.5%
Service Deli	20	1.7%	0.0 - 2.4%
Scratch/ Bake-Off Bakery	20	0.7%	0.0 - 1.5%
Frozen Food	20	4.5%	4.3 - 5.9%
Dairy	20	6.8%	4.5 - 9.5%
Other	20	1.2%	0.0 - 1.1%
Total	20	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	20	74.5%	73.2 - 78.0%
Meat	20	18.3%	15.6 - 20.0%
Produce	20	7.2%	6.3 - 8.0%
Total Sales	20	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	20	14.0%	12.8 - 16.0%
Meat	20	20.9%	18.5 - 22.8%
Produce	18	24.5%	23.6 - 26.6%
Total Gross Margin	20	16.5%	15.8 - 17.9%
Operating Expenses:			
Store Labor:			
Regular	19	6.2%	5.4 - 6.7%
Benefits	19	1.1%	0.8 - 1.8%
Total Store Labor Expense	19	7.1%	6.6 - 8.5%
Advertising & Promotion	19	0.6%	0.4 - 0.8%
Occupancy (Excluding Utilities)	19	1.9%	1.3 - 2.6%
Utilities	19	0.8%	0.5 - 1.1%
Maintenance	19	0.4%	0.3 - 0.6%
Store Supplies	19	0.9%	0.8 - 1.1%
Interest	19	0.5%	0.1 - 0.7%
Other	19	2.3%	1.3 - 3.0%
Total Operating Expenses	19	15.4%	13.6 - 16.1%
Profit Before Tax	19	1.1%	0.7 - 2.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	18	$113.03	$97.65 - 126.09
Gross Margin per Labor Hour	17	$19.04	$16.27 - 20.64
Profit Before Tax per Labor Hour	16	$1.48	$0.94 - 2.88
Sales per Labor Dollar	19	$16.19	$14.91 - 18.43
Gross Margin per Labor Dollar	19	$2.69	$2.49 - 2.96
Transactions per Labor Hour	18	6.3	4.9 - 7.5
Payroll per Labor Hour	17	$6.90	$6.07 - 8.29
Benefits per Labor Hour	17	$1.21	$0.87 - 1.61
Payroll to Total Expenses	19	41.4%	39.2 - 43.9%
Benefits to Total Expenses	19	7.4%	6.4 - 11.7%
Payroll per Hour of Operation	18	$113.98	$55.25 - 140.79
Space Productivity			
Total Store Area:			
Average Square Footage	23	31,000	24,775 - 38,807
Weekly Sales per Square Foot	23	$6.26	$5.18 - 8.18
Weekly Gross Margin per Square Foot	20	$1.03	$0.88 - 1.67
Weekly Profit Before Tax per Sq Ft	19	$0.10	$0.05 - 0.20
Selling Area:			
Average Square Footage	23	25,000	20,650 - 31,250
Weekly Sales per Square Foot	23	$7.21	$6.28 - 12.13
Weekly Gross Margin per Square Foot	20	$1.17	$1.06 - 2.30
Weekly Profit Before Tax per Sq Ft	19	$0.11	$0.06 - 0.27
Average Weekly Sales per Store	23	$194,719	$137,716 - 325,368
Number of Checkouts	22	8	7 - 10
Weekly Sales per Checkout	22	$23,316	$20,443 - 32,099
Weekly Transactions per Checkout	22	1,311	1,173 - 1,531
Selling Square Footage per Checkout	22	3,021	2,438 - 3,290
Occupancy Cost (incl utilities) per Sq Ft	19	$9.20	$7.51 - 11.02
Occupancy Cost (incl util) to Total Expense	19	17.4%	13.5 - 24.1%
Transactions per Square Foot of Selling Area	22	0.49	0.38 - 0.56
Transactions per 1000 Selling Sq Ft per Hour	22	3.25	2.84 - 4.19
Percentage of Selling Area to Total Area	23	81.5%	77.0 - 86.9%
Inventory Dollars per Sq Ft of Selling Area	20	$16.69	$13.53 - 23.05

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	18	13.7%	12.0 - 14.4%
Meat	18	19.7%	18.3 - 21.9%
Produce	18	24.5%	23.6 - 26.6%
General Merchandise/HaBA	13	23.4%	17.4 - 25.0%
Beer/Wine	7	11.8%	
Service Deli	10	31.6%	27.1 - 35.6%
Scratch/Bake-Off Bakery	7	60.6%	
Frozen Food	13	21.2%	18.3 - 22.7%
Dairy	13	17.3%	14.9 - 20.3%
Other	7	29.6%	
Total Gross Margin	20	16.5%	15.8 - 17.9%
Annual Inventory Turnover:			
Grocery	18	21.3X	14.9 - 25.7X
Meat	18	49.8X	43.7 - 95.7X
Produce	18	73.5X	55.3 - 103.4X
General Merchandise/HaBA	13	8.2X	6.6 - 9.8X
Beer/Wine	7	17.1X	
Service Deli	10	33.8X	22.4 - 50.8X
Scratch/Bake-Off Bakery	7	33.5X	
Frozen Food	13	22.0X	16.9 - 27.6X
Dairy	13	42.3X	32.1 - 55.2X
Other	6	12.8X	
Total Inventory Turnover	20	24.9X	16.3 - 26.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	18	291.6%	227.0 - 384.6%
Meat	18	1,258.4%	987.6 - 2,215.5%
Produce	18	2,784.1%	1,793.8 - 3,867.6%
General Merchandise/HaBA	13	271.0%	128.1 - 328.1%
Beer/Wine	7	213.1%	
Service Deli	10	1,422.6%	1,022.4 - 2,066.7%
Scratch/Bake-Off Bakery	7	3,701.3%	
Frozen Food	13	599.1%	428.3 - 672.5%
Dairy	13	847.2%	665.2 - 1,154.5%
Other	6	512.7%	
Total GMROI	20	471.8%	315.0 - 564.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	20	74.5%	73.2 - 78.0%
Meat	20	18.3%	15.6 - 20.0%
Produce	20	7.2%	6.3 - 8.0%
Total Sales	20	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	20	14.0%	12.8 - 16.0%
Meat	20	20.9%	18.5 - 22.8%
Produce	18	24.5%	23.6 - 26.6%
Total Gross Margin	20	16.5%	15.8 - 17.9%
Annual Inventory Turnover:			
Grocery	20	19.9X	14.6 - 22.7X
Meat	20	48.7X	36.0 - 74.4X
Produce	18	73.5X	55.3 - 103.4X
Total Inventory Turnover	20	24.9X	16.3 - 26.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	20	340.8%	227.9 - 406.7%
Meat	20	1,274.5%	894.7 - 2,000.8%
Produce	18	2,784.1%	1,793.8 - 3,867.6%
Total GMROI	20	471.8%	315.0 - 564.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	9	5.4%	1.7 - 11.9%
Average Transaction Size	9	$20.50	$17.88 - 25.27
Store Sales per Hour of Operation	9	$1,694	$826 - 4,210
Distribution of Sales:			
Grocery	10	55.1%	49.4 - 56.7%
Meat	10	17.0%	14.0 - 20.4%
Produce	10	7.6%	6.5 - 8.0%
General Merchandise/HaBA	10	3.7%	0.5 - 5.3%
Beer/Wine	10	0.8%	0.0 - 1.2%
Service Deli	10	2.5%	0.0 - 3.2%
Scratch/ Bake-Off Bakery	10	1.1%	0.0 - 2.1%
Frozen Food	10	4.8%	4.4 - 6.5%
Dairy	10	6.9%	4.4 - 10.2%
Other	10	0.5%	0.0 - 0.5%
Total	10	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	10	72.8%	71.5 - 75.8%
Meat	10	19.5%	16.4 - 21.3%
Produce	10	7.6%	6.5 - 8.0%
Total Sales	10	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	10	15.1%	13.3 - 16.9%
Meat	10	21.6%	19.4 - 23.2%
Produce	10	24.6%	24.4 - 26.6%
Total Gross Margin	10	17.6%	16.1 - 18.2%
Operating Expenses:			
Store Labor:			
Regular	10	6.0%	5.4 - 6.4%
Benefits	10	1.2%	0.8 - 1.7%
Total Store Labor Expense	10	7.0%	6.4 - 8.3%
Advertising & Promotion	10	0.6%	0.4 - 0.8%
Occupancy (Excluding Utilities)	10	1.7%	1.3 - 2.1%
Utilities	10	0.9%	0.4 - 1.0%
Maintenance	10	0.5%	0.4 - 0.6%
Store Supplies	10	0.9%	0.8 - 1.0%
Interest	10	0.2%	0.0 - 0.6%
Other	10	2.2%	1.4 - 3.3%
Total Operating Expenses	10	15.2%	12.2 - 15.8%
Profit Before Tax	10	2.4%	1.8 - 3.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	9	$115.12	$98.08 - 128.54
Gross Margin per Labor Hour	9	$20.02	$16.27 - 20.39
Profit Before Tax per Labor Hour	9	$2.60	$1.88 - 3.73
Sales per Labor Dollar	10	$16.56	$15.60 - 18.54
Gross Margin per Labor Dollar	10	$2.77	$2.68 - 2.97
Transactions per Labor Hour	9	5.1	4.7 - 7.0
Payroll per Labor Hour	9	$6.90	$6.16 - 7.53
Benefits per Labor Hour	9	$1.12	$0.87 - 1.61
Payroll to Total Expenses	10	41.5%	39.7 - 45.4%
Benefits to Total Expenses	10	7.6%	6.6 - 11.7%
Payroll per Hour of Operation	9	$121.75	$47.87 - 218.64
Space Productivity			
Total Store Area:			
Average Square Footage	10	29,700	22,575 - 39,375
Weekly Sales per Square Foot	10	$7.78	$5.83 - 9.68
Weekly Gross Margin per Square Foot	10	$1.38	$0.91 - 1.80
Weekly Profit Before Tax per Sq Ft	10	$0.19	$0.13 - 0.26
Selling Area:			
Average Square Footage	10	23,172	18,500 - 28,000
Weekly Sales per Square Foot	10	$11.08	$6.82 - 14.99
Weekly Gross Margin per Square Foot	10	$1.74	$1.09 - 2.74
Weekly Profit Before Tax per Sq Ft	10	$0.27	$0.15 - 0.36
Average Weekly Sales per Store	10	$239,667	$137,163 - 406,297
Number of Checkouts	9	8	7 - 13
Weekly Sales per Checkout	9	$31,953	$20,332 - 35,577
Weekly Transactions per Checkout	9	1,309	1,122 - 1,497
Selling Square Footage per Checkout	9	2,500	2,284 - 3,000
Occupancy Cost (incl utilities) per Sq Ft	10	$9.92	$8.02 - 10.76
Occupancy Cost (incl util) to Total Expense	10	17.2%	12.8 - 21.5%
Transactions per Square Foot of Selling Area	9	0.52	0.38 - 0.64
Transactions per 1000 Selling Sq Ft per Hour	9	3.81	3.05 - 4.24
Percentage of Selling Area to Total Area	10	81.1%	70.0 - 87.0%
Inventory Dollars per Sq Ft of Selling Area	10	$19.81	$12.48 - 24.52

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	10	13.8%	12.9 - 14.9%
Meat	10	19.2%	18.8 - 20.7%
Produce	10	24.6%	24.4 - 26.6%
General Merchandise/HaBA	7	24.6%	
Beer/Wine	4	13.2%	
Service Deli	6	33.7%	
Scratch/Bake-Off Bakery	5	64.5%	
Frozen Food	7	21.0%	
Dairy	7	14.9%	
Other	4	28.1%	
Total Gross Margin	10	17.6%	16.1 - 18.2%
Annual Inventory Turnover:			
Grocery	10	23.0X	18.3 - 25.7X
Meat	10	67.0X	49.1 - 107.1X
Produce	10	101.8X	72.0 - 121.6X
General Merchandise/HaBA	7	8.2X	
Beer/Wine	4	16.6X	
Service Deli	6	33.8X	
Scratch/Bake-Off Bakery	5	33.6X	
Frozen Food	7	27.6X	
Dairy	7	48.7X	
Other	4	12.4X	
Total Inventory Turnover	10	26.0X	24.8 - 26.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	10	351.8%	267.9 - 407.9%
Meat	10	1,536.2%	1,220.8 - 2,593.6%
Produce	10	3,358.3%	2,586.9 - 3,982.9%
General Merchandise/HaBA	7	288.4%	
Beer/Wine	4	205.5%	
Service Deli	6	1,738.4%	
Scratch/Bake-Off Bakery	5	3,701.3%	
Frozen Food	7	672.5%	
Dairy	7	979.5%	
Other	4	733.6%	
Total GMROI	10	542.4%	469.1 - 574.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	10	72.8%	71.5 - 75.8%
Meat	10	19.5%	16.4 - 21.3%
Produce	10	7.6%	6.5 - 8.0%
Total Sales	10	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	10	15.1%	13.3 - 16.9%
Meat	10	21.6%	19.4 - 23.2%
Produce	10	24.6%	24.4 - 26.6%
Total Gross Margin	10	17.6%	16.1 - 18.2%
Annual Inventory Turnover:			
Grocery	10	22.0X	19.3 - 22.7X
Meat	10	62.3X	47.1 - 94.9X
Produce	10	101.8X	72.0 - 121.6X
Total Inventory Turnover	10	26.0X	24.8 - 26.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	10	388.9%	330.8 - 430.7%
Meat	10	1,697.3%	1,129.6 - 2,459.3%
Produce	10	3,358.3%	2,686.9 - 3,982.9%
Total GMROI	10	542.4%	469.1 - 574.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	7	12.7%	
Average Transaction Size	9	$17.44	$14.52 - 18.00
Store Sales per Hour of Operation	9	$1,542	$1,295 - 2,179
Distribution of Sales:			
Grocery	9	56.6%	50.6 - 62.9%
Meat	9	16.3%	13.9 - 17.0%
Produce	9	6.9%	6.1 - 7.7%
General Merchandise/HaBA	9	3.5%	1.4 - 5.3%
Beer/Wine	9	1.1%	0.0 - 2.1%
Service Deli	9	1.0%	0.0 - 2.0%
Scratch/ Bake-Off Bakery	9	0.4%	0.0 - 0.0%
Frozen Food	9	4.7%	4.5 - 5.2%
Dairy	9	7.3%	5.9 - 9.5%
Other	9	2.2%	0.0 - 3.7%
Total	9	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	9	75.8%	73.7 - 78.1%
Meat	9	17.3%	15.0 - 18.5%
Produce	9	6.9%	6.1 - 7.7%
Total Sales	9	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	9	13.9%	13.0 - 14.3%
Meat	9	20.7%	17.9 - 22.8%
Produce	8	24.3%	23.2 - 27.3%
Total Gross Margin	9	16.0%	15.7 - 16.3%
Operating Expenses:			
Store Labor:	9	6.6%	5.6 - 6.8%
Regular	9	1.1%	0.9 - 1.8%
Benefits	9	7.2%	6.8 - 8.5%
Total Store Labor Expense	9	0.8%	0.5 - 0.8%
Advertising & Promotion	9	2.2%	1.4 - 2.9%
Occupancy (Excluding Utilities)	9	0.8%	0.6 - 1.1%
Utilities	9	0.4%	0.3 - 0.5%
Maintenance	9	1.0%	0.8 - 1.1%
Store Supplies	9	0.5%	0.4 - 0.7%
Interest	9	2.3%	1.2 - 2.7%
Other	9	15.4%	15.1 - 16.3%
Total Operating Expenses	9	0.5%	0.0 - 0.9%
Profit Before Tax			

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	8	$111.74	$103.35 - 123.75
Gross Margin per Labor Hour	8	$17.94	$15.79 - 21.03
Profit Before Tax per Labor Hour	7	$0.62	
Sales per Labor Dollar	9	$15.28	$14.81 - 17.74
Gross Margin per Labor Dollar	9	$2.45	$2.31 - 2.78
Transactions per Labor Hour	8	6.7	6.2 - 8.5
Payroll per Labor Hour	8	$6.75	$6.05 - 8.45
Benefits per Labor Hour	8	$1.38	$0.88 - 1.58
Payroll to Total Expenses	9	41.4%	38.6 - 43.3%
Benefits to Total Expenses	9	7.4%	6.1 - 11.6%
Payroll per Hour of Operation	9	$109.12	$77.39 - 132.34
Space Productivity			
Total Store Area:			
Average Square Footage	9	33,000	27,000 - 35,000
Weekly Sales per Square Foot	9	$5.76	$4.71 - 6.49
Weekly Gross Margin per Square Foot	9	$0.92	$0.76 - 1.04
Weekly Profit Before Tax per Sq Ft	8	$0.04	$0.01 - 0.05
Selling Area:			
Average Square Footage	9	28,000	22,000 - 31,500
Weekly Sales per Square Foot	9	$7.06	$5.56 - 8.83
Weekly Gross Margin per Square Foot	9	$1.13	$0.94 - 1.38
Weekly Profit Before Tax per Sq Ft	8	$0.05	$0.01 - 0.06
Average Weekly Sales per Store	9	$155,759	$145,422 - 222,902
Number of Checkouts	9	7	7 - 10
Weekly Sales per Checkout	9	$22,251	$20,775 - 25,898
Weekly Transactions per Checkout	9	1,336	1,258 - 1,609
Selling Square Footage per Checkout	9	3,259	2,667 - 3,667
Occupancy Cost (incl utilities) per Sq Ft	9	$8.19	$7.39 - 11.15
Occupancy Cost (incl util) to Total Expense	9	17.4%	15.5 - 26.2%
Transactions per Square Foot of Selling Area	9	0.49	0.31 - 0.51
Transactions per 1000 Selling Sq Ft per Hour	9	3.38	2.98 - 4.05
Percentage of Selling Area to Total Area	9	81.5%	80.0 - 86.9%
Inventory Dollars per Sq Ft of Selling Area	9	$15.12	$13.72 - 20.04

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	8	13.5%	11.2 - 14.0%
Meat	8	20.5%	17.9 - 22.8%
Produce	8	24.3%	23.2 - 27.3%
General Merchandise/HaBA	6	21.0%	
Beer/Wine	3	11.8%	
Service Deli	4	28.8%	
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	6	21.2%	
Dairy	6	17.5%	
Other	3	30.0%	
Total Gross Margin	9	16.0%	15.7 - 16.3%
Annual Inventory Turnover:			
Grocery	8	15.5X	11.9 - 24.4X
Meat	8	43.9X	39.0 - 50.2X
Produce	8	53.2X	43.4 - 78.6X
General Merchandise/HaBA	6	7.1X	
Beer/Wine	3	23.2X	
Service Deli	4	37.4X	
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	6	16.4X	
Dairy	6	32.7X	
Other	2	INSUFFICIENT DATA	
Total Inventory Turnover	9	17.0X	15.8 - 25.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	8	256.1%	213.5 - 283.5%
Meat	8	1,111.8%	882.7 - 1,391.8%
Produce	8	1,640.3%	1,418.6 - 2,348.4%
General Merchandise/HaBA	6	199.6%	
Beer/Wine	3	240.8%	
Service Deli	4	1,044.9%	
Scratch/Bake-Off Bakery	2	INSUFFICIENT DATA	
Frozen Food	6	413.9%	
Dairy	6	658.8%	
Other	2	INSUFFICIENT DATA	
Total GMROI	9	315.5%	299.1 - 483.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1987

WAREHOUSE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	9	75.8%	73.7 - 78.1%
Meat	9	17.3%	15.0 - 18.5%
Produce	9	6.9%	6.1 - 7.7%
Total Sales	9	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	9	13.9%	13.0 - 14.3%
Meat	9	20.7%	17.9 - 22.8%
Produce	8	24.3%	23.2 - 27.3%
Total Gross Margin	9	16.0%	15.7 - 16.3%
Annual Inventory Turnover:			
Grocery	9	15.5X	14.3 - 22.5X
Meat	9	43.7X	33.1 - 48.4X
Produce	8	53.2X	43.4 - 78.6X
Total Inventory Turnover	9	17.0X	15.8 - 25.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	9	245.0%	169.9 - 362.9%
Meat	9	961.1%	862.5 - 1,286.5%
Produce	8	1,640.3%	1,418.6 - 2,348.4%
Total GMROI	9	315.5%	299.1 - 483.3%

APPENDIX

Survey Methodology/Demographics

In early 1988, FMI distributed a confidential survey to all Food Marketing Institute's independent retail and wholesale members. The primary intent of this survey was to collect detailed financial operating information from its independent grocer operators by type of establishment, sales volume, geographic region, size of store and other factors.

Completed surveys were returned in strictest confidence to Leas, Noon and Associates, a survey research firm in Columbus, Ohio. All store identification, if any, was removed from each questionnaire and a confidential identification code was assigned. The data was then coded, keyed and edited by Leas, Noon and Associates financial analysts for validity. Computer processing was then performed on all data to insure statistical validity and produce the financial and operating ratios contained in this study.

The Food Marketing Institute Operating Results of Independent Supermarkets report is based on the responses of 290 independent food stores representing 171 companies which reported data for 1987 results. In particular the statistical sample consists of the following:

	Number of Stores Reporting	Percent of Total
ALL RESPONDENTS	290	100.0%
By Store Type		
Conventional Supermarket	200	69.0
Super Stores	34	11.7
Superettes	20	6.9
Warehouse Stores	23	7.9
Other	13	4.5

	Number of Stores Reporting	Percent of Total
SUPER STORES	34	100.0%
By Weekly Sales Volume		
$300,000 and Under	18	53.0%
Over $300,000	16	47.0

	Number of Stores Reporting	Percent of Total
CONVENTIONAL SUPERMARKETS	200	100.0%
By Weekly Sales Volume		
Less than $70,000	56	28.0
$70,000 to $90,000	42	21.0
$90,000to $125,000	50	25.0
Over $125,000	51	25.5
Not Reported	1	0.5
By Selling Area Square Footage		
Less than 10,000 sq. ft.	49	24.5
10,000-12,499 sq. ft.	43	21.5
12,500-17,000 sq. ft	62	31.0
Over 17,000 sq. ft	46	23.0
By Geographic Region		
Northeast	14	7.0
Middle Atlantic	26	13.0
East North Central	49	24.5
West North Central	16	8.0
Mid South	13	6.5
Southeast	20	10.0
West South Central	15	7.5
Mountain Pacific	14	7.0
Pacific Northwest	33	16.5

	Number of Stores Reporting	Percent of Total
SUPERETTES	20	100.0%

	Number of Stores Reporting	Percent of Total
WAREHOUSE STORES	23	100.0%

Departmental Data

Departmental data are presented in two ways--by detailed product categories and by the three major categories of grocery, meat, and produce. Users of the data should refer to whichever they consider to be more appropriate for their needs.

The detailed categories were "collapsed" into major categories as follows:

The Category:	Was Collapsed into:
Grocery	Grocery
Meat	Meat
Produce	Produce
General Merchandise/HBA	Grocery
Beer/Wine	Grocery
Service/Deli	Meat
Scratch/Bake-Off Bakery	Grocery
Frozen Food	Grocery
Dairy	Grocery
Other	Grocery

Due to the fact that some of the respondents were unable to break out sales by the detailed product categories, the percentage of the sales attributed to some categories may be artificially low.

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS 1987

CONFIDENTIAL REPORTING FORM

PLEASE MAIL COMPLETED FORM TO:

Leas, Noon and Associates
P.O. Box 20127
Columbus, OH 43220-0127

INDEPENDENT OPERATOR SURVEY 1987

(Based on 1987 Operating Data)

Please complete as much of this survey as possible according to the attached instruction sheet and return. You need not complete the entire survey form; however, items 2 through 6 must be completed by all participants.

LINE #	CODE #	STORE 1	CODE #	STORE 2
1. STORE NAME (10 Characters or less)	1	SAMPLE	1	
2. STORE TYPE	2	1. /X/Conventional Supermarket 2. / /Super Store 3. / /Superette 4. / /Warehouse Store 5. / /Combination Store 6. / /Box Store 7. / /Convenience Store 8. / /Other _____	2	1. / /Conventional Supermarket 2. / /Super Store 3. / /Superette 4. / /Warehouse Store 5. / /Combination Store 6. / /Box Store 7. / /Convenience Store 8. / /Other _____
3. State or Province Where Located	3	INDIANA	3	
4. Total Store Area (square feet)	4	18,500	4	
5. Selling Area (square feet)	5	16,000	5	
6. Annual Net Sales (1987) Report sales net of returns and allowances. Exclude sales taxes, excise taxes and wholesale sales.	6	$ 4,450,107	6	$
7. Annual Net Sales (1986)	7	$ 4,097,835	7	$
8. Average Number of Weekly Labor Hours for 1987 (store level only)	8	# 1,095	8	#
9. Average Number of Weekly Customer Transactions for 1987.	9	# 7,985	9	#
10. Average Customer Transaction in 1987	10	$ 10.72	10	$
11. Number of Checkouts	11	# 5	11	#
12. Average Number of Hours of Operation Per Week in 1987	12	# 105	12	#

(Continued on next page)

PLEASE BE SURE TO FILL OUT THIS STUB COMPLETELY. IT WILL BE DETACHED BY THE SURVEY FIRM

PLEASE PRINT OR TYPE SAMPLE _____ _____

Person to Contact _____ Company Name _____ Do Not Write in This Box

Address _____ _____

City, State, Zip _____ Telephone _____ _____

	CODE	STORE 1	CODE	STORE 2
ANNUAL SALES BY DEPARTMENT: (in Dollars) Please answer only for the departments your company operates.				
13. Grocery	13	$ 2,251,005	13	$
14. Meat	14	$ 875,967	14	$
15. Produce	15	$ 401,056	15	$
16. General Merchandise/HaBA	16	$ 270,118	16	$
17. Beer/Wine	17	$ -------	17	$
18. Service Deli	18	$ 49,645	18	$
19. Scratch/Bake-Off Bakery	19	$ 69,518	19	$
20. Frozen Food	20	$ 187,475	20	$
21. Dairy	21	$ 325,103	21	$
22. Other, not included above	22	$ 20,220	22	$
23. TOTAL (Sum of Lines 13 through 22; Same as Line 6)	23	$ 4,450,107	23	$ -

GROSS MARGIN: (in Dollars) Please answer only for the department categories you operate.

		Dollars		Dollars
24. Grocery	24	$ 369,898	24	$
25. Meat	25	$ 201,457	25	$
26. Produce	26	$ 124,318	26	$
27. General Merchandise/HaBA	27	$ 80,364	27	$
28. Beer/Wine	28	$ -------	28	$
29. Service Deli	29	$ 17,061	29	$
30. Scratch/Bake-Off Bakery	30	$ 37,999	30	$
31. Frozen Food	31	$ 45,421	31	$
32. Dairy	32	$ 71,005	32	$
33. Other, not included in above	33	$ 6,288	33	$
34. TOTAL (Sum of Lines 24 through 33)	34	$ 953,811	34	$

(Continued on reverse side)

AVERAGE INVENTORY (in Dollars, at Cost)	Code	Store 1	Code	Store 2
35. Grocery	35	$ 128,941	35	$
36. Meat	36	$ 18,673	36	$
37. Produce	37	$ 6,325	37	$
38. General Merchandise/HaBA	38	$ 42,822	38	$
39. Beer/Wine	39	$ -------	39	$
40. Service Deli	40	$ 1,869	40	$
41. Scratch/Bake-Off Bakery	41	$ 3,418	41	$
42. Frozen Food	42	$ 9,488	42	$
43. Dairy	43	$ 4,385	43	$
44. Other, not included in above	44	$ 4,695	44	$
45. TOTAL (Sum of Lines 35 through 44)	45	$ 220,616	45	$
EXPENSES (in Dollars)				
46. Regular Store Labor	46	$ 287,250	46	$
47. Store Level Benefits	47	$ 34,412	47	$
48. Advertising & Promotion	48	$ 87,685	48	$
49. Occupancy (Excluding Utilities)	49	$ 37,947	49	$
50. Utilities	50	$ 71,420	50	$
51. Maintenance	51	$ 31,405	51	$
52. Store Supplies	52	$ 37,999	52	$
53. Interest	53	$ 80,001	53	$
54. Other, not included in above	54	$ 128,421	54	$
55. TOTAL (Sum of Lines 46 through 54)	55	$ 796,540	55	$
56. Profit Before Tax (Line 34 minus 55)	56	$ 157,271	56	$

Independent Operators Survey Instruction Sheet

Please use the following instructions when completing the enclosed Independent Operators Survey. All information will be held in complete confidence. It will not be revealed to Food Marketing Institute or anyone else.

GENERAL

A. Please give data for your most typical store(s). Do not select your best or your worst store.

B. If information does not exist for one individual store, please divide the total expense, amount, etc., by the number of stores or the usage of that item by the store. Please give an estimate if the actual figures are unknown.

C. Please report all data for the calendar year 1987. If this is not practical, use the fiscal year which ended closest to December 31, 1987. Full-year data is required.

D. Please report monetary figures to the nearest dollar (eliminate "cents").

E. Columns labeled "Code #" are for our use only. Ignore them.

F. There is room on the survey form to report data for two of your stores. Since each respondent will receive a free, computer generated, productivity report on each store, you may wish to copy the form and report on any other stores you operate.

G. You need not complete the entire survey form; however, items 2 through 6 are required to be completed by all participants.

ALL RESPONDENTS WILL RECEIVE A COMPLIMENTARY COPY OF THE FINAL RESULTS AS WELL AS AN INDIVIDUAL PRODUCTIVITY REPORT FOR EACH OF THEIR STORES.

SPECIFIC LINE ITEMS

LINE #

1. A ten character description which you choose to describe the store, e.g. "EASTGATE", "NO. 2", "CARSON AVE.". This description will appear on your computer generated productivity report to identify the store.

2. Store Type

   a. Conventional Supermarket - Full-line, self-service store under 30,000 square feet with annual sales of $2 million or more.
   b. Super Store - Full-line, self-service supermarket of over 30,000 square feet of selling area with expanded selections of food and non-food items.
   c. Superette - Self-service food store with annual sales under $2 million.
   d. Warehouse Store - Self-service supermarket featuring low prices, utilitarian fixturing, a warehouse atmosphere and annual sales of at least $2 million.
   e. Combination Store - A supermarket with at least 25% of area in general merchandise.
   f. Box Store - A limited assortment warehouse-type store.

5. Selling area is that part of the store accessible to customers.

8. Include only hours for store level personnel. If officers/owners are active in store level management, include their hours also.

9. Only give the number of transactions if you operate with electronic cash registers and can then count actual customer purchase transactions.

12. Total number of hours the store was open for business in the average week during 1985.

13-23. Please report department annual sales in dollars.

24-34. Report gross margin in dollars. Do not include non-operating income. In determining the cost of goods sold, use the following formula:

Cost of Goods Sold = Beginning inventory + Purchases of merchandise + Freight-In - Purchase Rebates (based on volume of purchases) - Promotional Allowances (not requiring advertising expenditures or store displays) - Cash discounts + Wholesaler's Fee (if billed separately) - Ending Inventory.

Gross margin must be reported based on the FIFO inventory valuation method.

35-45. Average Inventory - All figures at cost and on a FIFO basis. Compute average inventory for each department by:

a. Adding the beginning inventory for each month plus the end of year inventory and divide this total by 13, or
b. If unable to use (a.), add the beginning inventory for each quarter plus the end of year inventory and divide by 5, or
c. If unable to use (a.) or (b.), just add the beginning and end of year inventory amounts and divide by two.

46. Regular Store Labor includes straight, overtime and regular recurring bonus payments to all store personnel including the manager. Include payments made in conjunction with sickness absence, excused time off, training and commissions. Do not include labor costs for employees not working at the store level or who service more than one store. If officers or owners are active in store management, their compensation should be included.

47. Benefits include the company's share of payroll taxes, federal and state unemployment payments, holiday pay, vacation pay, any payments made under group insurance plans, pension and profit sharing plans, retirement pay, severance pay, Christmas or annual bonus and Workers' Compensation.

EXPENSE DEFINITIONS

Please be sure to give that portion of the expense which relates only to that individual store. Do not include non-operating expenses.

Line #

48. Advertising and Promotion - Includes space and time costs for all advertising media; cost of electros, cuts and mat services; promotion expenses (tape plans, premiums, giveaways, contests); and expenses related to trading stamps. Reduce expenses by advertising allowances if they are expended for advertising media or require store displays.

49. Occupancy - Includes rent (fixed and percentage) on premises, real estate taxes and insurance, building depreciation, and amortization of leasehold improvements.

50. Utilities - Includes all utilities (heat, light, power and water).

51. Maintenance - All maintenance and repairs including outside maintenance services. Include store level labor in Line 46.

52. Store Supplies - Includes checkout and wrapping supplies, prepackaging supplies, maintenance supplies (window cleaning, floor cleaning and rest room supplies), etc.

53. Interest - Includes all interest payments. Estimate the cost for each store by dividing the company's total interest by the number of stores.

54. Other - All store level expenses not included elsewhere, including bad checks, telephone, travel, laundry, licenses, bank charges, cash over and short, outside services, and others. Reduce these by miscellaneous revenues from such sources as vending machines, rides, pay telephone, etc.

Ratio Definitions and Sample Calculations

Performance Measures	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computation of Measure for Sample Company
Sales Data			
Percentage Change From Previous Year	(6) Net Sales minus (7) Previous Year's Net Sales ÷ (7) Previous Year's Net Sales	An indication of company growth. Beware of distortion caused by inflation.	(4,450,107 - 4,097,835) ÷ 4,097,835 = 8.6%
Average Transaction Size	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (9) Average Number of Weekly Customer Transactions	Indicates the typical size of a sales transaction and thus add-on purchase efficiency.	(4,450,107 ÷ 52) ÷ 7,985 = $10.72
Store Sales Per Hour of Operation	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (12) Average Number of Hours of Operation per Week	Indicates sales efficiency, or the store's effectiveness in generating sales volume during a specific time period.	(4,450,107 ÷ 52) ÷ 105 = $815.
Distribution of Sales by Product Category	(13-20) Annual Sales of Each Department Expressed as a Percentage of (6) Annual Net Sales	Shows the relative portion of total store sales for each product category.	
Percentage Income Statement	Each Income Statement Entry Expressed as a Percentage of Net Sales	Shows the relationship between income, costs and margin levels in producing profits.	
Personnel Productivity			
Sales per Labor Hour	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (8) Average Number of Weekly Store Level Labor Hours	Measures the Store's effectiveness in utilizing labor resource to generate sales volume.	(4,450,107 ÷ 52) ÷ 1,095 = $78.15
Gross Margin Per Labor Hour	Weekly Gross Margin Dollars [(34) ÷ 52 weeks] ÷ (8) Average Number of Weekly Store Level Labor Hours	Measures the store's effectiveness in utilizing labor resources to generate gross margin dollars.	(953,811 ÷ 52) ÷ 1,095 = $16.75
Profit Before Tax Per Labor Hour	Weekly Profits Before Tax [(56) ÷ 52 weeks] ÷ (8) Average Number of Weekly Store Level Labor Hours	Measures the store's effectiveness in utilizing labor resources to generate profits.	(157,271 ÷ 52) ÷ 1,095 = $2.76
Sales Per Labor Dollar	(6) Net Sales ÷ (46) Regular Store Labor Expense	Indicates the store's effectiveness in generating sales volume per dollar of labor expense incurred.	4,450,107 ÷ 287,250 = $15.49
Gross Margin Per Labor Dollar	(34) Gross Margin ÷ (46) Regular Store Labor Expense	Indicates the store's effectiveness in generating gross margin dollars relative to labor expense.	953,811 ÷ 287,250 = $3.32
Transactions Per Labor Dollar	(9) Average Number Weekly Customer Transactions ÷ (8) Average Number of Weekly Labor Hours	Another indicator of the store's volume-producing effectiveness relative to labor utilization.	7,985 ÷ 1,095 = 7.3

Ratio Definitions and Sample Calculations

Performance Measures	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computation of Measure for Sample Company
Payroll Per Labor Dollar	Weekly Regular Store Labor [(46) ÷ 52 weeks] ÷ (8) Average Number of Weekly Labor Hours	Shows the typical payroll cost incurred at the store level per hour worked.	(287,250 ÷ 52) ÷ 1,096 = $5.04
Benefits Per Labor Hour	Weekly Store Level Benefits [(47) ÷ 52 weeks] ÷ (8) Average Number Weekly Labor Hours	A further measure of payroll costs expressed on a per hour worked basis.	(34,412 ÷ 52) ÷ 1,095 = $0.60
Payroll to Total Expenses	(46) Regular Store Level Labor Expense as a % of (55) Total Store Level Expenses	Good overall indicator of payroll costs for control purposes. Not distorted by inflation; can be used to compare performance over time, versus industry and store to store.	287,250 ÷ 796,540 = 36.1%
Benefits to Total Expenses	(47) Store Level Employee Benefits as a % of (55) Total Store Level Expenses	A further indicator of personnel related costs; can be used for expense control purposes by comparing expenditures over time relative to total expenses.	34,412 ÷796,540 = 4.3%
Payroll Per Hour of Operation	Weekly Store Level Labor Expense [(46) ÷ 52 weeks] ÷ (12) Average Number of Hours of Operation per Week	Shows the typical payroll cost incurred at the store level relative to the average number of hours the store was open for business per week.	[287,250 ÷ 52] ÷ 105 = $52.61
Space Productivity			
Average Square Footage	The Reported Store Size, Expressed in Total Store and Selling Area (the part of the store that is accessible to customers)		
Weekly Sales Per Square Foot	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (4) Total Area or (5) Selling Area	An overall measure of space productivity; useful for comparing a particular store's results versus the industry averages or versus other stores in a chain operation. However, caution should be used when assessing over time due to "automatic" increases caused by inflation.	[4,450,107 ÷ 52] ÷ 18,500 = $4.63 [4,450,107 ÷ 52] ÷ 16,000 = $5.35
Weekly Gross Margin Per Square Foot	Weekly Gross Margin [(34) ÷ 52 weeks] ÷ (4) Total Area or (5) Selling Area	Similar usage as above measure.	[953,811 ÷ 52] ÷ 18,500 = $0.99 or [953,811 ÷ 52] ÷ 16,000 = $1.15
Weekly Profit Before Tax Per Square Foot	Weekly Profit Before Tax [(56) ÷ 52 weeks] ÷ (4) Total Store Square Footage or (5) Store Selling Area Square Footage	Similar usage as above measure.	(157,271 ÷ 52) ÷ 18,500 = $0.16 or (157,271 ÷ 52) ÷ 16,000 = $0.19
Average Weekly Sales Per Store	Net Sales on a Weekly Basis (6) ÷ 52 weeks	An overall measure of store level productivity. Usage similar to above.	4,450,107 ÷ 52 = $85,579

Ratio Definitions and Sample Calculations

Performance Measures	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computation of Measure for Sample Company
Number of Checkouts	The Reported Number of Store Checkouts	An indicator of store size and volume activity. used as a productivity indicator when combined with sales and transaction information.	
Weekly Sales Per Checkout	[(6) Weekly Net Sales ÷ 52 weeks] ÷ (11) Number of Checkouts	A measure of sales activity which can indicate whether or not checkouts are over or under utilized. Either extreme can be a problem. Over utilization (that is, a high sales per checkout) may point to a possible customer queuing problem. Under utilization (that is, a low sales per checkout) can reflect poor overall store productivity.	(4,450,107 ÷ 52) ÷ 5 = $17,116
Weekly Transaction Per Checkout	(9) Average Number of Weekly Customer Transactions ÷ (11) Number of Checkouts	Similar usage as above measure.	7,985 ÷ 5 = 1,597
Selling Square Footage Per Checkout	(5) Selling Area ÷ (11) Number of Checkouts	An indicator of the balance between store space allocated to customer usage and the number of checkouts available to handle transaction needs.	16,000 ÷ 5 = 3,200
Occupancy Cost (including utilities) Per Square Foot	[(49) Occupancy Expenses + (50) Utility Expenses] ÷ (4) Total Store Area Square Footage	An overall indicator of space costs incurred for each square foot of total store area. Can be compared to industry averages and/or to other stores in a chain to determine whether or not a space oriented profit drain may exist. However, caution should be used when comparing this ratio over time due to inflationary distortions.	(37,947 + 71,420) ÷ 18,500 = $5.91
Occupancy Cost (including utilities) to Total Expenses	[(49) Occupancy Expenses + (50) Utility Expenses] ÷ (55) Total Expenses	Shows the relative significance of space related costs relative to overall store operating expenses; is not distorted by inflation over time.	(37,947 + 71,420) ÷ 796,540 = 13.7%
Transactions Per Square Foot of Selling Area	(9) Average Number of Weekly Customer Transactions ÷ (5) Store Selling Area	Similar in usage as "weekly sales per square foot." However, is not distorted by inflation.	7,985 ÷ 16,000 = .50
Transactions Per 1,000 Square Feet Per Hour	[(9) Average Number of Weekly Customer Transactions ÷ (5) Total Selling Square Footage] ÷ (12) Average Number of Hours of Operation Per Week] x 1,000	Similar to the above measure, but provides a more precise indicator of productivity on a per hour of operation basis.	[(7,985 ÷ 16,000) ÷ 16,000) ÷ 105] x 1,000 = 4.75
Percentage of Selling Area to Total Area	(5) Selling Area Square Footage as a Percentage of (4) Total Store Area Square Footage	Indicates the relative proportion of total store area that is accessible to customers.	16,000 ÷ 18,500 = 86.5%

Ratio Definitions and Sample Calculations

Performance Measures	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computation of Measure for Sample Company
Inventory Dollars Per Square Foot of Selling Area	(45) Total Inventory Dollars ÷ by (5) Selling Area Square Footage	An indication of the effectiveness with which the store utilizes selling space to display products.	220,616 ÷ 16,000 = $13.79
Inventory Productivity			
Gross Margin Percent	Gross Margin Dollars Expressed as a Percentage of Sales (expressed in terms of overall store as well as for individual product categories)	An indication of the store's effectiveness in pricing and selling products relative to the costs of acquiring those products.	
Annual Inventory Turnover	Annual Cost of Goods Sold ÷ Average Annual Invehtory (expressed in terms of overall store as well as for individual product categories)	A basic measure of inventory productivity which indicates how fast stock is moving. Useful for comparing your firm versus the industry averages over time, as well as comparing the relative profit contribution from various product categories.	
Gross Margin Return on Inventory (GMROI)	Gross Margin Dollars Expressed as a Percent of Average Inventory (expressed in terms of overall store as well as for individual product categories)	An overall inventory productivity measure which essentially combines both gross margin percent and turnover into one indicator. Excellent for analyzing the profitability of various individual product categories.	

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